IN THE

Supreme Court of the United States

OCTOBER TERM, 1975

No. 75-7521

VICTOR DeCOSTA,

Petitioner,

v.

COLUMBIA BROADCASTING SYSTEM, INC., CAPITAL CITIES BROADCASTING CORPORATION and CBS FILMS, INC.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

The petitioner Victor DeCosta respectfully requests that a writ of certiorari issue to review the opinion and judgment entered in this proceeding on June 24, 1975, by the United States Court of Appeals for the First Circuit.

OPINIONS BELOW

The opinion of the First Circuit, entered on June 24, 1975, is reported at 520 F.2d 499. It is printed in the appendix hereto, p. A. 1, *infra.*

The opinion of the United States District Court for the District of Rhode Island, entered on September 23,

1974, is reported in 383 F. Supp. 326. It is printed in the appendix hereto, p. A. 31, *infra*.

The report of Magistrate Hagopian, setting forth his findings of fact and conclusions of law, was filed on April 15, 1974. It has not been reported, but is printed in the appendix hereto, p. A. 57, *infra*.

JURISDICTION

The judgment of the Court of Appeals for the First Circuit was entered on June 24, 1975. See p. A. 30, *infra*. No rehearing was sought.

On timely application, Mr. Justice Brennan on September 11, 1975, signed an order extending the time for filing this petition for writ of certiorari to and including November 21, 1975. This petition has been filed within that extended period.

The jurisdiction of this court is invoked under 28 U.S.C. §1254(1).

QUESTIONS PRESENTED

1. Whether a United States Magistrate's findings of fact and conclusions of law, entered pursuant to a consensual reference under the Federal Magistrates Act, 28 U.S.C. §636(b), for a "hearing and determination" of cross motions for summary judgment, are reviewable by a District Court only for "manifest error."

2. Whether the Magistrate's findings of fact, entered pursuant to such a consensual reference, are to be considered "final" and non-reviewable within the meaning of Rule 53(e)(4), Fed.R.Civ.Proc., or whether they are

subject to the "clearly erroneous" review standard of Rule 52(a), Fed.R.Civ.Proc.

3. Whether a Magistrate's determination, based upon stipulated facts and his independent examination of the record, that virtually identical service marks create "a great likelihood of confusion" among the public is to be treated, for review purposes, as a finding of fact or a conclusion of law.

4. Whether a Magistrate's finding as to the "likelihood of confusion" between identical competing service marks in the entertainment field is clearly erroneous simply because (a) there is a great disparity in the size and scope of the competing enterprises, (b) only six witnesses testified as to actual confusion, and (c) there was stated to be a lapse of eleven years between the start of the alleged infringement and the testimony as to likelihood of confusion.

STATUTES AND RULES INVOLVED

Federal Magistrates Act, 28 U.S.C. §636(b):

Any district court of the United States . . . may establish rules pursuant to which any . . . United States magistrate . . . may be assigned within the territorial jurisdiction of such court such additional duties as are not inconsistent with the Constitution and laws of the United States. The additional duties authorized by rule may include, but are not restricted to —

> (1) service as a special master in an appropriate civil action, pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts;

(2) assistance to a district judge in the conduct of pretrial or discovery proceedings in civil or criminal actions; and

(3) preliminary review of applications for post-trial relief made by individuals convicted of criminal offenses, and submission of a report and recommendations to facilitate the decision of the district judge having jurisdiction over the case as to whether there should be a hearing.

Rule 32, Local Rules of U.S. District Court for the District of Rhode Island:

(a) *Duties in general.* Full time United States Magistrates of this district . . . shall, when directed by the court:

(1) Serve as a Special Master in appropriate civil actions pursuant to the applicable provisions of Title 28 United States Code and the Federal Rules of Civil Procedure for the United States District Courts; and

* * *

(4) Perform such other duties as are not inconsistent with the Constitution and laws of the United States and as may be assigned by the court.

(b) *Powers.* Unless otherwise provided by Fed.R.Civ. P. 53 or other statute or rule, the magistrate shall have authority to conduct the proceedings specified in the order of reference and to make such orders as may be

incidental or necessary to the completion thereof, subject to review by the judge as herein provided.

(c) *Filing of report and records.* Upon conclusion of the hearing, the magistrate shall file with the clerk his findings, report and recommendations, . . .

(d) *Objections; review.* Any party who has not waived an appeal to the judge may serve and file written objections to the magistrate's report within 5 days after service of the report. Opposition to the objections shall be served and filed with 5 days after service of the objections. The clerk shall thereupon promptly set and notice the review hearing to be disposed of by the judge to whom the case is assigned.

* * *

Paragraphs of the Standing Order of the United States District Court for the District of Rhode Island Providing for the Utilization of United States Magistrates:

12. DESIGNATION OF MAGISTRATE TO ASSIST DISTRICT JUDGES

Pursuant to the rule making power conferred on the Court by 28 U.S.C. §636, the Court may, without further formal order, from time to time refer civil and criminal motions to the magistrate as it deems proper for hearing, determination, recommendation, or report, and the magistrate shall render such other assistance to a district judge of the Court as may be directed of him by the Court.

13.1 RECONSIDERATION OF MAGISTRATE'S RULING BY DISTRICT JUDGE

A magistrate's ruling on a motion, not incident to the exercise of his trial jurisdiction, shall be final and conclusive unless a party thereto moves for reconsideration by a district judge. A motion for reconsideration shall be made with five (5) days of the magistrate's ruling. Reconsideration shall not be *de novo* but shall be the same as on a question of law.

Federal Rules of Civil Procedure:
Rule 52. Findings by the Court.

(a) EFFECT. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, . . . Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court . . . .

Rule 53. Masters

(a) APPOINTMENT AND COMPENSATION. Each district court with the concurrence of a majority of all the judges thereof may appoint one or more standing masters for its district, and the court in which any action is pending may appoint a special master therein. . . .

* * *

(e) REPORT.

(1) *Contents and Filing.* The master shall prepare a report upon the matters submitted to him by the order of reference and, if required to make findings of fact and conclusions of law, he shall set them forth in the report. . . .

(2) *In Non-Jury Actions.* In an action to be tried without a jury the court shall accept the master's findings of fact unless clearly erroneous. . . .

* * *

(4) *Stipulation as to Findings.* The effect of a master's report is the same whether or not the parties have consented to the reference; but, when the parties stipulate that a master's findings of fact shall be final, only questions of law arising upon the report shall thereafter be considered.

STATEMENT OF THE CASE

This case, which was instituted in the federal district court in Rhode Island in 1963,[1] comes before this Court on certiorari for the second time. In 1967, over the dissent of Mr. Chief Justice Warren and Mr. Justice Fortas, this Court declined to review the First Circuit's reversal of a judgment in petitioner's favor on the first count of the instant complaint. *DeCosta v. CBS, Inc.*, No. 693 (Oct. Term, 1967), 389 U.S. 1007 (1967). Now this Court

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[1] The complaint, as amended, grounded federal jurisdiction upon factual allegations of diversity of citizenship and jurisdictional amount, 28 U.S.C. §1332, and upon factual allegations of a federal trademark question, 28 U.S.C. §§1125(a), 1121 and 1127.

is being asked to review still another reversal by the First Circuit of a judgment favorable to the petitioner, a reversal of a favorable judgment on the second and third counts of the complaint.

The basic allegation in all three counts of the complaint was the same — i.e., that the respondent CBS, Inc., and allied corporations had stolen and then exploited petitioner DeCosta's idea, characterization and three entertainment service marks — "Paladin", "Have Gun Will Travel", and a knight chess piece. Indeed, misappropriation has already been determined and is no longer in issue. On the earlier appeal in this case the First Circuit acknowledged that the jury's disbelief of respondents' protestations of innocent coincidence was "amply justified" and that "the plaintiff [DeCosta] has had the satisfaction of proving the defendants [CBS, et al.] pirates." *CBS, Inc. v. DeCosta*, 377 F.2d 315, 317 (C.A. 1, 1967).

Virtually all the relevant facts in this case were developed before the jury that considered the first count of the complaint based upon unjust enrichment. Those facts are fully set forth in the earlier opinion of the First Circuit, 377 F.2d at 316-317, prefaced by the statement that "The story of this case — more bizarre than most television serial installments — is one of 'coincidence' run riot." Suffice it to repeat here what the First Circuit has succinctly said in the opening paragraph of its latest judicial installment (Appendix hereto, pp. A.1-2, *infra*):

> "Plaintiff [DeCosta], a dozen years ago, began this suit against [CBS and allied corporations] . . . to seek compensation for their unauthorized use of a character concept he had developed, embodying a costume, slogan, name and symbol.

> A mechanic living in Cranston, Rhode Island, his avocation had been to don an all black cowboy suit, with a St. Mary's medal affixed to his flat crowned black hat, a chess symbol to his holster, and an antique derringer secreted under his arm, and make public appearances at rodeos and other events, meeting innumerable children, and passing out his card, inscribed with a chess set knight, proclaiming 'Have Gun Will Travel, Wire Paladin, N. Court St., Cranston, R.I.' . . . As every well-versed television viewer of the late fifties and early sixties knows, the gestalt conveyed by plaintiff's costume and accessories found its way into defendants' television series, 'Have Gun Will Travel', [starring Richard Boone] which enjoyed enormous popularity for over eight years in its initial run, grossing in excess of fourteen million dollars."

A. The First Count

The first count of the complaint, which had been separated for trial purposes, alleged that the piratical acts of the respondents constituted unjust enrichment under applicable state law. The jury, after hearing the evidence, awarded the petitioner DeCosta $150,000 in damages on this count.

In reversing that award, the First Circuit took the position that this Court's decisions in *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), and *Compco Corp. v. Day-Bright Lighting, Inc.*, 376 U.S. 234 (1964), meant that the Copyright Clause of the Constitution had preempted this effort under state law to protect the creator

of an uncopyrighted characterization against unfair appropriations or unjust enrichment. See *CBS, Inc. v. DeCosta,* 377 F.2d 315, 318-319 (C.A. 1, 1967). DeCosta's petition for certiorari, protesting that holding, was denied by this Court, with two dissents as noted above. 389 U.S. 1007 (1967).

The First Circuit has now conceded the error of its earlier 1967 ruling, *stare decisis* though it may be. This Court's later decision in *Goldstein v. California,* 412 U.S. 546 (1973), particularly as summarized and applied in *Kewanee Oil Co. v. Bicron Corp.,* 416 U.S. 470, 478-479 (1974), convinced the First Circuit that its 1967 interpretation of the preemptive reach of the Copyright Clause was "over-inclusive."[2] See Appendix, p. A.18, *infra.* Petitioner's damage award under the first count, being grounded on a non-preempted state law of unjust enrichment stemming from a misappropriation of petitioner's character, should therefore have been sustained.

The First Circuit has here stated that but for the erroneousness of its 1967 ruling that decision would likely have "predetermined our decision on the second and third causes of action." See Appendix, p. A.18, *infra.* Those counts or causes of action were based on the applicable state common law respecting service mark infringement

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[2] The 1967 holding of the First Circuit that the leading case applying a remedy for mere copying, *International News Service v. Associated Press,* 248 U.S. 215 (1918), is no longer authoritative has not been accepted by this Court. See *Goldstein v. California,* 412 U.S. 546, 570 (1973); *Kewanee Oil Co. v. Bicron Corp.,* 416 U.S. 470, 481 (1974); see also *Mercury Record Productions, Inc. v. Economic Consultants, Inc.,* 183 U.S.P.Q. 358 (Wis. Sup.Ct., 1974).

and unfair competition. But since the court felt that it did "not have a tabula rasa to write upon" (p. A.19, *infra*), the merits of the judgments favorable to petitioner on the second and third causes of action were deemed to be in issue on the appeal.

B. The Second and Third Counts

Premised upon the same acts of appropriating the "Paladin, Have Gun Will Travel" characterization, the second count of the complaint alleged an infringement of a common law service mark. And on the same basis, the third count charged that the respondents had engaged in unfair competition as defined by the applicable state common law. Both counts were reserved for disposition by the District Court, sitting without a jury, following the final adjudication of the first count.[3]

The petitioner DeCosta and the respondent corporations subsequently filed in the District Court cross motions for summary judgment on the second and third counts. In support of his motion, DeCosta filed an affidavit setting forth additional facts to the effect that he continues to portray the character "Paladin" at various rodeos, auctions, horse shows, parades, and other types of public gatherings, dressed in his original outfit as created by him. and that he still distributes the printed cards advertising that characterization. He further stated in this affidavit that he had filed in the U.S. Patent Office an application to register the service marks in question, and that the

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[3] The lapse of time between 1967, when the appeal on the first count was finally resolved, and 1973, when the second and third counts were considered, was not due to the dilatoriness of any party. The District Court's docket condition simply did not permit an earlier calling of the case for disposition of the second and third counts.

respondent CBS, Inc., in its opposition to such registration, had admitted that the marks were entertainment service marks and had not contested the validity of the same as service marks.[4]

In August of 1973 the parties stipulated that the cross motions for summary judgment would be determined by the District Court on the basis of the transcript of the earlier jury trial on the first count, including all exhibits, together with a stipulation of further testimony. Then, on October 5, 1973, by agreement of all parties, the District Court entered the following order:

> "Pursuant to stipulation of the parties on each side and of counsel on each side, the above captioned case is referred, under authority of 28 U.S.C. 636, to United States Magistrate Jacob Hagopian for hearing and determination to be had on or before November 5, 1973."

Pursuant to that consensual reference, the cross motions for summary judgment were fully briefed and orally argued by the parties before the Magistrate. Six months later, on April 15, 1974, the Magistrate filed an extensive report setting forth his findings of fact and conclusions of law, which in all respects favored the petitioner DeCosta. See pp. A. 57-89, *infra*. Among the Magistrate's findings of fact were three that were later to become decisive on the appeal to the First Circuit:

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[4] Petitioner filed two such applications, one in 1962 and another in 1970. The second application is still pending before the Trademark Trial and Appeal Board. See *DeCosta v. CBS, Inc.*, 498 F.2d 1383 (C.C.P.A., 1974), for an account of these applications.

"13. My examination of the record and comparison of the description and exhibits of the 'Paladin' marks heretofore mentioned discloses that the marks used by plaintiff DeCosta are identical to those subsequently used by defendants Columbia Broadcasting System, Inc. in the television series of 'Paladin', and that a great likelihood of confusion exists between the marks used by plaintiff and those used by defendants because they are virtually identical."

"17. At least 21 witnesses testified that before the airing of the television series by defendant, Columbia Broadcasting System, Inc., they knew plaintiff as Paladin; at least 18 of such witnesses testified that, before the airing of the television series as aforesaid, they saw cards as passed out by plaintiff that bore the slogan and/or purported service marks 'Have Gun Will Travel' 'Wire Paladin' and the figure of a knight chess piece; that at least 21 of such witnesses testified that they thought on viewing the television program that there was a physical similarity between plaintiff in his costume and accoutrements and Richard Boone dressed as the television character Paladin."

"18. At least 6 of such witnesses testified that they had at first thought, on viewing the television program, that Richard Boone was the plaintiff Mr. DeCosta until they learned the contrary from viewing the credits on the show, or otherwise."

The witnesses referred to by the Magistrate in these findings, of course, had given their testimony at the earlier jury trial in 1966 on the first count of the complaint. Their testimony was part of the evidence that the parties stipulated should be considered in adjudicating the cross motions for summary judgment on the second and third counts.[5]

In what the First Circuit described as a "well ordered opinion," the Magistrate discussed at length the applicability of the preemption doctrine and other threshold legal issues, and concluded that the respondents' reliance on the *Sears-Compco* preemption concept was without merit. His ultimate conclusions were four-fold: (1) the respondents "are not entitled to recover as a matter of law on their cross-motion for summary judgment and the same is DENIED"; (2) the petitioner DeCosta "is entitled to recover on Counts II and III as a matter of law on his motion for summary judgment and the same is GRANTED", (3) the petitioner DeCosta is entitled "as a matter of law to an accounting of all profits" acquired by the respondents' television series, and the respondents "are required to hand over the proceeds of their wrong to the plaintiff by reason of their unjust enrichment", and (4) the attorneys for each side were directed to meet with the Magistrate within five days "to settle the drafting of an appropriate judgment order to be entered in this case."

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[5] The First Circuit's opinion erroneously states that this testimony as to likelihood of confusion was introduced by affidavit eleven years after the alleged infringement began in 1957. See p. A. 26, *infra*. The testimony actually was given at the jury trial in 1966 and was introduced by stipulation of the parties as a part of the record in summary judgment proceedings. DeCosta's motion for summary judgment was filed in 1968.

See pp. A. 82-83, *infra*. Such order was then to be presented to the District Court.

The respondents promptly filed objections to the Magistrate's report. Included in those objections were claims that the reference of the summary judgment motions to the Magistrate was *ultra vires* and beyond the jurisdiction of the Magistrate as defined in the United States Magistrates Act, 28 U.S.C. §636(b), that the reference was violative of respondents' constitutional rights, and that the reference was void *ab initio*. The District Court stayed all further proceedings before the Magistrate pending determination of these objections. The petitioner DeCosta then filed a motion to confirm the Magistrate's report.

The District Court rejected all of respondents' objections to the consensual reference of the summary judgment motions to the Magistrate, a reference to which the respondents had voluntarily agreed. The court held that such a consensual reference to the Magistrate to hear and decide all issues and to report his findings of fact and conclusions of law to the court does not offend the Constitution, at least insofar as a right to review in the court is preserved. Hence the reference was held to be authorized by the United States Magistrates Act, 28 U.S.C. §636(b), which *inter alia* permits assignments to Magistrates of "such additional duties as are not inconsistent with the Constitution and laws of the United States."

The District Court then held that the "presumptively correct" and "manifest error" standards of review, as enumerated in *Kimberly v. Arms*, 129 U.S. 512 (1889), with reference to judicial review following a consensual reference to a master, should be applied to the court's

review of the Magistrate's findings of fact and conclusions of law. Applying those standards, the District Court declared that it was "not prepared to hold that the Magistrate's findings of fact and conclusions of law are unequivocally wrong." See p. A. 45, *infra*. In the court's words (p. A. 46, *infra*):

> "I am well aware of our appellate court's admonition that a pro forma 'laying of hands' upon a magistrate's report will not be sanctioned following a reference. This teaching, however, involved two cases . . . which are distinguishable [as not involving a consensual reference to a magistrate] . . .
>
> "I make no pretense of either affirming or reversing the Magistrate. I simply find no manifest error and, therefore, while neither affirming or reversing, I deny the defendants' motion to vacate the Magistrate's rescript, adopt the Magistrate's report and enter a final and appealable judgment based thereon."

On appeal, the First Circuit rebuffed all of the respondents' renewed constitutional assaults on this consensual reference. The court discussed the referral of cases by consent in detail and phrased the issue as "not the power of the judge to refer, but the power of the parties to agree to another arbiter, absent overriding constitutional considerations." See p. A. 6, *infra*. The court found no constitutional impediment to the parties freely choosing a non-Article III forum in the first instance, and also found that the legislative history of the Federal Magistrates Act supported a congressional intent to permit consensual references to magistrates.

Although the First Circuit suggested that review of such references could be limited so as to preclude any reconsideration of the Magistrate's decision, it ruled that the stipulation of the parties in this case did not clearly express that intent; they had merely stipulated that the case be referred for "hearing and determination." In that context, the court turned to the standard of review to be accorded a Magistrate's findings and conclusions under such a consensual reference.

The First Circuit clearly rejected the "manifest error" standard of review, as articulated by this Court in *Kimberly v. Arms*, 129 U.S. 512 (1889), and adopted by the District Court in this case. The term "manifest error," said the First Circuit, "lacks content," at least as applied to legal error. See p. A. 13, *infra*. But at the same time the appellate court conceded that the review properly to be accorded the Magistrate's report "does not appear at all clear to us." See p. A. 13, *infra*. That perhaps explains the confusing nature of the ensuing discussion and formulation of a new standard, borrowed in bits and pieces from what were thought to be analogous provisions of the Federal Rules of Civil Procedure. Fairly read, the opinion below appears to have created and applied a standard whereby:

> (1) The Magistrate's legal conclusions are subject to "full review" to discover "any prejudicial error as required by F.R.Civ.Pro. 53(e)(4)." See p. A. 13, *infra*.
>
> (2) The Magistrate's findings of fact are "being treated as final" (see p. A. 26, *infra*), since the Magistrate may be treated "as trier of fact whose rulings on the facts are final

under Rule 53(e)(4)." See p. A. 14, *infra.* But, at the same time, "the factual findings of the magistrate adopted by the district court" are treated "as subject to the clearly erroneous standard of Rule 52(a)." See p. A. 15, *infra.* To repeat, "The magistrate's findings being treated as final, they are here subject to the same standard of review as are district court findings under Fed.R.Civ. Pro. 52(a)." See p. A. 26, *infra.*

Rather than remanding the case to the District Court to review the Magistrate's report in light of these standards, and in order to save time in this protracted case, the First Circuit undertook the reviewing task itself. It thus proceeded to review the Magistrate's "findings in the light of the pleadings, the evidence, and the law." See p. A. 15, *infra.* In so doing, the First Circuit found that the critical issue respecting the merits of the case was "whether there was a deceiving of the public as the result of defendants' actions." See p. A. 24, *infra.* And on that issue, the First Circuit professed to find from the Magistrate's report "only a finding as to the identical nature of the marks used by plaintiff and defendants and the resulting 'great likelihood of confusion' therefrom, and another that 'At least 6 . . . witnesses testified that they had at first thought, on viewing the television program, that Richard Boone was the plaintiff Mr. DeCosta until they learned the contrary from viewing the credits of the show, or otherwise.' " See p. A. 26, *infra;* and see Magistrate's Findings No. 13 and No. 18, quoted above at p. 13, *supra.*

The First Circuit's opinion concluded with the observation that such testimony by six witnesses "seems to us either no evidence at all or so minimal as not to support a finding of likelihood of confusion." See p. A. 27, *infra.* And "to give any relief, however tailored, we need a predicate of liability. Absent the ultimate fact of confusion, we cannot find a basis for liability for common law service mark infringement or unfair competition." See p. A. 27, *infra.* On that basis alone, the District Court's judgment in petitioner's favor was reversed. Judge Aldrich wrote a concurring opinion. See p. A. 27, *infra.*

REASONS FOR GRANTING THE WRIT

The decision below has been heralded by the Administrative Office of the United States Courts as one of the "principal decisions" rendered during the past year respecting the relatively new Federal Magistrates Act, 28 U.S.C. §636(b).[6] Unfortunately, that decision constitutes a confusing precedent in the administration of this important Act, a statute designed "to cull from the ever-growing workload of the U.S. district courts matters that are more desirably performed by a lower tier of judicial officers." H.Rep.No. 1629, 90th Cong., 2d Sess., 12 (1968).

Both the importance of the opinion below and the confusion that is rampant therein concern only those references under the Act that are consensual in nature. Just

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[6] 1975 Annual Report of the Director of the Administrative Office of the United States Courts, pp. VIII-17-18.

The only decision by this Court interpreting the Act is *Wingo v. Wedding,* 418 U.S. 461 (1974), holding that magistrates may not conduct evidentiary hearings on petitions for habeas corpus relief pursuant to §636(b)(3) – a subsection of the Act not here involved.

how many consensual references are made each year to United States Magistrates is not known.[7] But the problems in this consensual area also stem from the more general enigma created by the complete silence of the Act as to the weight to be accorded the findings and conclusions of the magistrates, whatever the terms or nature of their references. There is an obvious need to establish some basic guidelines for judicial review of a magistrate's findings and conclusions and to determine the extent, if any, to which analogous standards in the Federal Rules of Civil Procedure may be borrowed. Therein lies the ultimate justification for the grant of certiorari in this case.

1. **The decision below has created a confused and unmanageable standard for reviewing a Magistrate's findings and conclusions in a consensual reference situation.**

In its commendable struggle to create a standard for reviewing the results of a consensual reference to a Magistrate, the First Circuit has created more problems and ques-

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[7] The 1975 Annual Report of the Director of the Administrative Office of the United States Courts states that, in the fourth year of operation of this Act (ending June 30, 1975), there was a total of 487 United States Magistrates, including 133 full-time positions, and that the number of full-time positions has been steadily increasing as district courts continue to delegate a greater variety and volume of judicial duties to the magistrates. During the last fiscal year ending on June 30, 1975, magistrates disposed of 255,061 separate items of judicial business, a 5 percent increase over the preceding fiscal year. During that last fiscal year, magistrates handled 67,230 judicial proceedings under the "additional duties" authorization contained in 28 U.S.C. §636(b). Report, pp. VIII-1, 3. But this Report does not specify the number of references to magistrates that were consensual in origin or nature.

tions than it has solved. Particularly as to the review of findings of fact, the First Circuit has produced a two-headed standard, the two heads facing in opposite directions. One need only follow the various zig-zags in the opinion below to appreciate the puzzling and inconsistent nature of the new standard created for consensual references under the Federal Magistrates Act.

(1) The First Circuit has found that the consensual reference in this instance, by which the parties agreed to submit the case to the Magistrate "for hearing and determination," was not clear enough "by its own terms to support the conclusion that the parties consented to a grant of power greater than that outlined" in Rule 53(e)(4). See p. A.14, *infra*. Is the standard of review thus dependent upon the clarity of the language used in the reference order agreed to by the parties? What degree of unclarity is necessary before Rule 53(e)(4) becomes applicable? And if Rule 53(e)(4) does become applicable, are not the parties and the reviewing court bound to accept the findings of the magistrate, whatever may have been the terms of the reference? Rule 53(e)(4) says in no uncertain terms, although it deals only with references to special masters, that where the parties "stipulate that a master's findings of fact shall be final," then "only questions of law arising upon the report shall thereafter be considered."

(2) Does the First Circuit mean, then, that the Magistrate's findings of fact upon this consensual reference – given its so-called unclear terms – must be considered "final" in the Rule 53(e)(4) sense? Professor Moore has written that a master's fact findings are so "final" under Rule 53(e)(4) that they cannot be disturbed unless the

master "is clearly shown to have arbitrarily abused his discretion or acted in a grossly unfair manner in his inquisition into the facts."[8] And if such finality does attach to the Magistrate's findings in this case, why was not the First Circuit bound to accept his critical findings (Nos. 13 and 18) respecting the likelihood of confusion pertinent to the infringement or unfair competition claims? Since the facts contained in those findings had been stipulated into the present record from the earlier trial transcript, there could have been and was no suggestion that the Magistrate abused his discretion or acted unfairly in making these findings.

(3) But if the consensual reference here is to be governed by Rule 53(e)(4), how can it also be governed by the "clearly erroneous" review standard of Rule 52(a) – as the First Circuit has repeatedly indicated? The Rule 52(a) standard is in no way confined to an arbitrary abuse of discretion by the fact-finder, and thus envisages a much wider standard of review than allowed by Rule 53(e)(4).[9] Which rule prevails under the First Circuit's view, Rule 52(a) or Rule 53(e)(4)?

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[8] 5A Moore's Federal Practice, P. 53, 15, p. 3045 (2d ed. 1975). See discussion in *Eastern Fireproofing Co. v. United States Gypsam Co.*, 50 F.R.D. 140 (D. Mass. 1970), stating that the First Circuit reviews a master's findings under Rule 53(e)(4) only for an abuse of discretion.

[9] But in the absence of a Rule 53(e)(4) stipulation as to the finality of the master's findings of fact, the court must accept the master's findings unless, as Rule 53(e)(2) states, his findings are "clearly erroneous." The Rule 53(e)(2) "clearly erroneous" standard is precisely the same as the Rule 52(a) "clearly erroneous" standard. That is, "a finding by the master is clearly erroneous when, although there is evidence to support it, the court on the entire evidence is left with the definite and firm conviction that a mistake has been made." Wright and Miller, Federal Practice and Procedure, Vol. 9, §2614, p. 810 (1971).

(4) Since Rule 52(a) governs only the review by a court of appeals of findings of fact by a district court, how can the First Circuit make that rule applicable also to a district court's review of a magistrate's findings of fact? Or was the First Circuit applying this rule in its capacity as a court of appeals, intent on bringing this prolonged litigation to an end? And by refusing to remand the case to the District Court to allow that tribunal to review properly the results of its own reference to the Magistrate, has the First Circuit vitiated the vital role that the District Court plays under the Federal Magistrates Act?

(5) Since the Federal Magistrates Act was designed to permit and promote consensual references to magistrates of matters not often delegated to masters, why should the review of a magistrate's findings on a consensual reference be governed or circumscribed by those Civil Rules that deal with the different and narrower relationships between the district courts and their special masters? In the absence of any congressional direction or indication that such Civil Rules should be imported into the administration of this Act, by what token does the First Circuit promulgate the applicability of either Rule 52(a) or Rule 53(e)(4)?[10]

(6) Indeed, in the absence of any congressional concern with the matter, are not the federal courts bound to fashion the standards of review solely in conformity with the purposes of the Federal Magistrates Act, and independently

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[10] And what is the answer to the District Court's statement (see p. A. 35, *infra*) that a reference to a magistrate under the Act "may be broader than reference to a master under Rule 53(b), and indeed should be in order to accomplish the broad goals that the Magistrates Act was designed to facilitate"? See Note, 88 Harv. L. Rev. 779, 796-803 (1975).

of standards developed for use in entirely different contexts? Perhaps only this Court can do so in a definitive manner, which only adds to the appropriateness of granting certiorari in this case. If the Court is willing to undertake that task, it may well wish to ponder the wise words spoken by an earlier Court in *Kimberly v. Arms,* 129 U.S. 512, 524-525 (1889), which dealt with a consensual reference to a special master long before Rule 52 (a) or Rule 53(e)(4) was born. The Court there stated:

> ". . . when the parties consent to the reference of a case to a master or other officer to hear and decide all the issues therein, and report his findings, both of fact and of law, and such reference is entered as a rule of the court, the master is clothed with very different powers from those which he exercises upon ordinary references; and his determinations are not subject to be set aside and disregarded at the mere discretion of the court. A reference, by consent of parties, of an entire case for the determination of all its issues . . . is a submission of the controversy to a tribunal of the parties' own selection, to be governed in its conduct by the ordinary rules applicable to the administration of justice in tribunals established by law. Its findings, like those of an independent tribunal, are to be taken as presumptively correct, subject, indeed, to be reviewed, under the reservation contained in the consent and order of the court, when there has been manifest error in the consideration given to the evidence, or in the application of the law, but not otherwise. . . .

> ". . . To disregard the findings, and treat the report as a mere presentation of the testimony, is to defeat, as we conceive, the purpose of the reference, and disregard the express stipulation of the parties. We are therefore constrained to hold that the learned court below failed to give to the findings of the master the weight to which they were entitled, and that they should have been treated as so far correct and binding as not to be disturbed, unless clearly in conflict with the weight of the evidence upon which they were made."

This statement in *Kimberly v. Arms* has never been repudiated by this Court.[11] And while the First Circuit asserted its puzzlement as to the meaning of "manifest error," that term in conjunction with other references to "presumptively correct" and "not to be disturbed, unless clearly in conflict with the weight of the evidence" could well be used by this Court in casting a standard of review for purposes of the Federal Magistrates Act.

Indeed, as the First Circuit has acknowledged (p. A. 10, *infra*), a staff memorandum of the Senate Judiciary Sub-

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11 The standards for review expressed in *Kimberly v. Arms,* of course, are no longer applicable to consensual references to a master. They have been replaced by the standard set forth in Rule 53(e)(4), Fed.R.Civ.Proc., which makes the master's findings of fact "final" and virtually non-reviewable, whereas "questions of law arising upon the report shall thereafter be considered."

But the "manifest error" doctrine of *Kimberly v. Arms* has been perpetuated in decisions of this Court in other contexts. See *Davis v. Schwartz,* 155 U.S. 631 (1895); *Adamson v. Gilliland,* 242 U.S. 350 (1917); *Corona Cord Tire Co. v. Dovan Chemical Corp.,* 276 U.S. 358 (1928).

committee that drafted this Act specifically called attention to the "manifest error" language in *Kimberly v. Arms,* in the course of discussing consensual references to special masters. That may be a clue to what Congress intended by way of reviewing a magistrate's report following a consensual reference. It is certainly a clue worth pursuing if the Federal Magistrates Act is to be properly administered.

2. The decision below, in overturning the Magistrate's express factual finding of the likelihood of confusion, has created important procedural and substantive problems.

The First Circuit premised its reversal of the judgment in petitioner's favor upon its holding that the critical determinations of the Magistrate, respecting the likelihood of confusion between the identical service marks of the parties, were unsupported by the evidence. Incredibly, the First Circuit held that the testimony of six witnesses as to their actual confusion was "either no evidence at all or so minimal as not to support a finding of likelihood of confusion." See p. A. 27, *infra.*

(1) Since the Magistrate's determination as to the likelihood of confusion was based on stipulated testimony and his own viewing of the competing service marks, was his determination factual in nature so as to be subject to the "clearly erroneous" test of Rule 52(a)? While this Court has stated in other contexts that the "clearly erroneous" test applies to "inferences drawn from documents or undisputed facts,"[12] the Circuits have been characterized as still "indescribably confused" as to the factual or legal nature of a fact-finder's determination based upon undisputed or stipulated facts.[13] Particularly is that confusion apparent as to "likelihood of confusion" determinations.[14] A grant of certiorari in this case would clarify the situation in this important area of trademark and service mark litigation.

(2) The First Circuit's ruling that six instances of actual confusion by television viewers cannot provide substantial proof of the "likelihood of confusion" is in direct conflict with relevant decisions of other Circuits. Thus the Fifth Circuit in *World Carpets, Inc. v. Dick Littrell's New World Carpets,* 438 F.2d 482, 489 (C.A. 5, 1971), held that in a trade mark infringement action

> ". . . it is not necessary to show actual confusion. One merely has to show that the likeli-

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12 See *United States v. United States Gypsum Co.,* 333 U.S. 364, 394 (1948); *Commissioner v. Duberstein,* 363 U.S. 278, 291 (1960); *United States v. Singer Mfg. Co.,* 374 U.S. 174, 194 (1963).

13 See Wright and Miller, Federal Practice and Procedure, Vol. 9, §2587, p. 740 (1971); Wright, Law of Federal Courts, 430 (2nd ed. 1970).

14 See, for example, *Fleishmann Distilling Corp. v. Maier Brewing Co.,* 314 F.2d 149 (C.A. 9, 1963), where the Ninth Circuit stated that the "determination of likelihood of confusion partakes more of the character of a conclusion of law than of a finding of fact." An example of the opposite view is *Standard Brands, Inc. v. Eastern Shore Canning Co.,* 172 F.2d 144 (C.A. 4, 1949). All the conflicting decisions are gathered in McCarthy, Trademarks and Unfair Competition, Vol. 2, §23:22, p. 76 (1973).

> hood of confusion exists. There can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion. Moreover, reason tells us that while very little proof of actual confusion would be necessary to prove the likelihood of confusion, an almost overwhelming amount of proof would be necessary to refute such proof.

To the same effect are *Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 74 (C.A. 10, 1958); *Spangler Candy Co., v. Crystal Pure Candy Co.*, 353 F.2d 641, 644 (C.A. 7, 1966), both holding that "There can be no more positive proof of likelihood of confusion than evidence of actual confusion."

This conflict should be resolved by this Court. The degree of proof necessary to demonstrate "likelihood of confusion" is a problem that goes far beyond the confines of this case. It is the keystone of all trademark and service mark infringement cases, whether arising under the "likelihood of confusion" concepts of the common law, the Lanham Trademark Act of 1946 (15 U.S.C. §1052(d)), or the Uniform Deceptive Trade Practices Act (6 Martindale-Hubbell Law Directory, 1975, p. 4067).

Similarly, the implicit holding of the First Circuit (see pp. A. 25, 27, *infra*), that the passage of time imposes an extraordinary duty on plaintiffs to present substantial proof of actual confusion, constitutes a novel departure from recognized trademark law and pays lip service only to the test of likelihood of confusion. A resolution of this question is imperative.

(3) Finally, the First Circuit has emphasized the small size and scope of petitioner's "Paladin" enterprise, in contrast to the vast nationwide television scope of the respondents' "Paladin" enterprise, in holding that the "likelihood of confusion" determination was clearly erroneous. See p. A. 26, *infra*. Such a ruling is in direct conflict with the Eighth Circuit's ruling in *Sweetarts v. Sunline, Inc.*, 380 F.2d 923, 928 (C.A. 8, 1967), holding that

> "Plaintiff's vested and existing rights cannot be overpowered merely by defendant's comparatively massive size and generous promotional expenditures."

Or, as the same court said in *San Francisco Association for the Blind v. Industrial Aid for the Blind*, 152 F.2d 532, 537 (C.A. 8, 1946),

> "The defendant may not justify its use of the plaintiff's trademark upon the grounds that the plaintiff's volume of business was comparatively small. . . "

Such a conflict deserves resolution by this Court since it deals with a problem common to all forms of trademark and service mark litigation brought by a small entrepreneur against a giant competitor or appropriator. Comparative size alone should have no place in the assessment of the proof submitted by the small enterpreneur to show "likelihood of confusion."

Needless to say, the significance of the foregoing conflicts is in no way diminished by the First Circuit's gratuitous comment (p. A. 27, *infra*) that "the most exacting search for proof [of the likelihood of confusion] would

not have produced more" than the six witnesses that were produced. Those six witnesses testified at the original jury trial as to their actual confusion and any further testimony, considering the identity of the marks, the express finding of piracy by respondents, and the fact that several marks rather than just one were misappropriated, would merely have been cumulative. *Volkswagenwerk Aktiengesellschaft v. Rickard,* 492 F.2d 474 (C.A. 5, 1974).

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari should be granted.

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November 21, 1975

United States Court of Appeals
For the First Circuit

No. 74-1391

VICTOR DECOSTA,
PLAINTIFF, APPELLEE,
v.
COLUMBIA BROADCASTING SYSTEM, INC., CAPITAL CITIES BROADCASTING CORPORATION, AND CBS FILMS, INC.,
DEFENDANTS, APPELLANTS.

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

Before COFFIN, *Chief Judge,*
ALDRICH and MCENTEE, *Circuit Judges.*

Eugene L. Girden, with whom *Knight Edwards, Edwards & Angell, Carleton G. Eldridge, Jr., Coudert Brothers, John M. Keene, III, Michael J. Calvey,* and *David Wolf* were on brief, for appellants.

Alan T. Dworkin, with whom *Leonard Michaelson* was on brief, for appellee.

June 24, 1975

COFFIN, *Chief Judge.* Plaintiff, a dozen years ago, began this suit against the Columbia Broadcasting System, Inc. and allied corporations (CBS) to seek compensation for their unauthorized use of a character concept he had developed, embodying a costume, slogan, name, and symbol. A mechanic living in Cranston, Rhode Island, his avocation had been to don an all black cowboy suit, with a St. Mary's medal affixed to his flat crowned black hat, a chess symbol to his holster, and an antique derringer secreted under his arm, and make public appearances at rodeos and other

events, meeting innumerable children, and passing out his card, inscribed with a chess set knight, proclaiming "Have Gun Will Travel, Wire Paladin, N. Court St., Cranston, R.I." We described these events in greater detail when this case was before us on appeal from the first count[1] in his complaint, *Columbia Broadcasting System, Inc.* v. *DeCosta, (DeCosta I)*, 377 F.2d 315 (1967), *cert. denied*, 385 U.S. 1007 (1968). As every well-versed television viewer of the late fifties and early sixties knows, the gestalt conveyed by plaintiff's costume and accessories found its way into defendants' television series, "Have Gun Will Travel", which enjoyed enormous popularity for over eight years in its initial run, grossing in excess of fourteen million dollars.

The claim below, in the remaining counts two and three of the complaint, asserted a wilful and intentional infringement of plaintiff's common law trademark and/or service mark and unfair competition. The plaintiff sought both injunctive and monetary relief, including an accounting for all profits made by defendants in broadcasting "Have Gun Will Travel". The first count had been tried before a jury. When this court reversed the result obtained in that trial, the case was returnd to the district court where the parties entered into a stipulation that counts two and three be determined by the district judge on the basis of the trial transcript, including all exhibits, together with a stipulation of additional testimony. 382 F. Supp 326, 327.

Subsequent to this stipulation the following order was entered by the district court on October 5, 1973:

> "Pursuant to stipulation of the parties on each side and of counsel on each side, the above captioned case is referred, under authority of 28 U.S.C. 636, to United States Magistrate Jacob Hagopian for hearing and determination to be had on or before November 5, 1973."

[1] The first count charged a wilful misappropriation through copying plaintiff's idea and character.

Six months later, on April 15, 1974, a report was filed by the magistrate setting forth his findings of fact and conclusions of law sustaining the plaintiff's position. Five days after,this report was filed, the defendants objected to the reference for the first time and argued that the parties were without authority to consent to reference and that the decision of the magistrate had been *ultra vires.* The district court ruled that the consensual reference granted the magistrate the power to "determine" the issues in the case. It therefore held the magistrate's exercise of jurisdiction legitimate and restricted its own review to a search for "manifest error" of fact or law. Finding none, it affirmed the magistrate's decision and entered judgment thereon. This appeal challenges both the propriety of the reference and the decision on the merits.

I. The Reference.

The defendants' argument to the district court and to us on appeal may be reduced to the following syllogism: (1) the order of reference in effect authorized the magistrate to act as special master; (2) the United States Magistrates Act, 28 U.S.C. §§ 631-639[2] provides for appointment of magistrates as masters only under the auspices of the Federal Rules of Civil Procedure; (3) Rule 53(b) provides that "in actions to be tried without a jury, save in matters of

[2] 28 U.S.C. § 636(b) provides:

"Any district court of the United States . . . may establish rules pursuant to which any . . . United States magistrate, . . . may be assigned . . . such additional duties as are not inconsistent with the Constitution and laws of the United Staets. The additional duties authorized by rule may include, but are not restricted to

"(1) service as a special master in an appropriate civil action, pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts;

"(2) assistance to a district judge in the conduct of pretrial discovery proceedings in civil or criminal actions; and

"(3) preliminary review of application for post-trial relief made by individuals convicted of criminal offenses, and submission of a report and recommendations to facilitate the decision of the district judge having jurisdiction over the case as to whether there should be a hearing."

account, and of difficult computation of damages a reference shall be made only upon a showing that some exceptional condition requires it''; (4) since there is not such exceptional condition here, the reference was improper and the magistrate was without jurisdiction to hear the case; and (5) since this is a jurisdictional matter, it cannot be waived by counsel. They further argue that even if the consent of the parties ratifies the reference, the district court employed an inappropriate standard of review, and the governing standard should not have been manifest error of fact or law, but errors of law and clearly erroneous findings of fact as provided in Rule 53.

The district court's analysis began with a holding that a consensual reference to a magistrate was not a reference to a special master within the meaning of 28 U.S.C. § 636(b)(1) and was instead governed by that part of § 636(b) which provides: "any district court . . . may establish rules pursuant to which any full-time United States magistrate . . . may be assigned . . . such additional duties as are not inconsistent with the Constitution and laws of the United States." Reviewing the law governing the powers of non-Article III[3] judges to hear and determine cases, it held that there was no statutory or constitutional bar to the magistrate adjudicating a civil case on the basis of the litigants' consent. And to determine the scope of review, the district court examined *Kimberly* v. *Arms*, 129 U.S. 512 (1889), which treated district court review as limited to the question of "manifest error" in law or fact. 383 F. Supp. at 336-337.

Defendants argue that it is constitutionally impermissible for an Article III judge to abjure decision making responsibilities and that the judge is therefore without power to

[3] U. S. Const. Art. III. A magistrate is an Article I judge, being a "tribunal inferior to the Supreme Court" and appointed pursuant to Congressional power under U. S. Const. Article I, Section 8, clause 9. *See Glidden Co.* v. *Zdanok*, 370 U.S. 530, 543, 552 (1962).

invest other non-Article III judicial officers or parajudges, such as magistrates, with broad authority. However persuasive such an argument may be where governmental sanction is threatened,[4] indicating a strong public interest in the outcome of litigation[5] and creating a countervailing necessity for extending the full measure of judicial process to the defendant,[6] or where parties to civil litigation properly before the federal judiciary insist on judicial resolution,[7] quite different policy and precedent should apply where the

[4] Notwithstanding such an argument, the Congress did extend to magistrates the authority to try *minor* offenses when all parties consent.

[5] For example, in arbitration cases public policy considerations and Congressional intent have an impact on the available forum. *See, e.g., Wilko* v. *Swan*, 346 U.S. 427 (1953) (the non-waiver provision in the Securities Act forbids bargaining away any right under that Act, including the choice of forum); *A&E Plastik Pak Co.* v. *Monsanto*, 396 F.2d 710 (9th Cir. 1968) (the validity of a contract under the Sherman Antitrust Act is not an arbitrable issue); *American Safety Equip Corp.* v. *J. P. Maguire & Co.*, 391 F.2d 821 (2d Cir. 1968) (a claim under the antitrust law states a claim in the public interest which Congress intended the courts to resolve). Similarly in *Wingo* v. *Wedding*, 418 U.S. 461 (1974), the Supreme Court limited its inquiry as to the propriety of a magistrate holding evidentiary hearings in habeas corpus cases to the question of whether the demonstrated Congressional intent of the Habeas Corpus Act, 28 U.S.C. § 2243 and the Magistrate's Act, 28 U.S.C. § 636(b)(3) precluded such a result.

[6] *See Crowell* v. *Benson*, 285 U.S. 22, 51 (1932); *see also* discussion of applicability of the doctrine to judicial reference in Note, *Masters and Magistrates in the Federal Courts*, 88 Harv. L. Rev. 779, 787-789 (1975).

[7] In the pre-Magistrates Act case of *La Buy* v. *Howes Leather Co.*, 352 U.S. 249 (1957), the district court had referred the private antitrust suit *sua sponte* to a master for hearing and preparation of findings after the judge had heard numerous preliminary motions and had become familiar with the case. All parties objected to the reference. The Court does not appear to rest on a constitutional analysis, *see* Harv. L. Rev. at 794, but rather on its supervisory powers, and the known disadvantages of referral to non-official masters paid by the parties. *La Buy* at 253 n. 5. *See also Good Eating Places* v. *Best Places to Eat, Inc.*, 131 F.2d 809 (7th Cir. 1942).

In *TPO, Inc.* v. *McMillen*, 460 F.2d 348 (7th Cir. 1972), the defendant had pressed for an early trial date, the judge *sua sponte* ordered reference to a magistrate of a motion to dismiss. Objection was made. After an exhaustive study of the legislative history of the Magistrate's Act, the court concluded that in the absence of consent, Congress did not intend to grant magistrates decision making power in civil cases. 460 F.2d at 359-361 and *see* nn. 63, 72. Neither the *La Buy* court nor the *TPO* court considered the impact of the antitrust policy upon the cases both brought thereunder. *See* n. 5 *supra*.

In *Wilver* v. *Fisher*, 387 F.2d 66, 69 (10th Cir. 1967), the parties did agree to reference to a master of supervision over interrogatories and the court was critical of the undertaking of such a proceeding by a master, but the Magistrates Act § 636(b)(2) now specifically provides for this kind of assistance to the district judge in the conduct of pre-trial discovery proceedings.

parties to a civil dispute themselves select another forum. Under such circumstances, it is inappropriate to evaluate the problem as one of the right of the judiciary to relinquish its authority.[8] The issue is not the power of the judge to refer, but the power of the parties to agree to another arbiter, absent overriding constitutional considerations.

There is old authority for consensual reference for decision after court proceedings have been instituted. In *Heckers* v. *Fowler,* 69 U.S. 123 (1864), the parties agreed to a reference under the terms of which the report of the referee was to "have the same force and effect as a judgment of the court." *Id.* at 127. In responding to a challenge to the power of a federal court to authorize such a proceeding, the Court endorsed the holding of an earlier case that "a trial by arbitrators, appointed by the court, with the consent of both parties, was one of the modes of prosecuting a suit to judgment as well established and as fully warranted by law as a trial by jury . . . ." *Id.* at 128-129. It also recognized that, assuming the preservation of exceptions to acceptance of the report and a sufficient record, the same scope of appellate review would be available as in the case of appeal from an ordinary trial court judgment. *See also Newcomb* v. *Wood,* 97 U.S. 581 (1878). And, in *Kimberly* v. *Arms,* 129 U.S. 512 (1889), the Court said:

> "A reference by consent of parties, of an entire case for the determination of all its issues, though not strictly a submission of the controversy to arbitration — a proceeding which is governed by special rules — is a submission of the controversy to a tribunal of the parties' own selection, to be governed in its conduct by the ordinary rules applicable to the administration of justice in tribunals established by law." *Id.* at 524.[9]

We would add that we find nothing in *La Buy* v. *Howes Leather Co.,* 352 U.S. 249 (1957) to cast doubt on the propriety of truly consensual reference. The Court in *La Buy* was concerned with the wholesale resort to references to private masters ordered, despite objection, by district courts attempting to deal with crowded dockets, such references having gained notoriety for their delay and high cost. We see none of these problems in truly consensual references to magistrates.

Both *Heckers* and *Kimberly* spoke in terms of arbitration supervised by the Court even though both cases long antedated the present availability of authorization for binding private agreement to arbitrate future disputes. In that era, an agreement to arbitrate a dispute that might arise was not judicially enforceable,[10] although an arbitration award, once granted, was treated as the equivalent of adjudication by the courts.[11] There was a long history in the field of arbitration of unwillingness on the part of the judiciary to relinquish power to decide cases properly before the courts.[12] With the adoption of the Federal Arbitration Act, 9 U.S.C. §§ 1-14, this judicial hostility toward enforce-

[8] Our own prior cases on magistrates deal with such situations and are not apposite here. *O'Shea* v. *United States,* 491 F.2d 774 (1st Cir. 1974), was a habeas corpus case which allowed more latitude to the magistrate than was subsequently approved in *Wingo* v. *Wedding,* 418 U.S. 461 (1974). In *Rainha* v. *Cassidy,* 454 F.2d 207 (1st Cir. 1972), this court faced another habeas corpus case. And in *Reed* v. *Board of Election Comm'rs of City of Cambridge,* 459 F.2d 121 (1st Cir. 1972), there was no consent or understanding by the parties as to the scope of the reference, and we disapproved the procedure as we had intimated we would do in *Devcon Corp.* v. *Woodhill Chemical Sales Corp.,* 455 F.2d 830 (1972).

[9] Despite its reference to "the ordinary rules applicable . . . in tribunals established by law", the Court, in the succeeding sentence, said that review would lie to correct "manifest error in the consideration given to the evidence, or in the application of the law, but not otherwise." *Id.* This not only seems to us an internal inconsistency but introduces us to a concept currently without content.

[10] W. Sturges, Commercial Arbitration and Award, § 15 (1930).

[11] *Id.* at § 235 at 613; S. Williston, Law of Contracts § 1919 (3d ed. 1938): Simpson, *Specific Performance of Arbitration Contracts,* 83 U. Pa. L. Rev. 160, 163-164 (1934).

[12] *See Kulukundis Shipping* v. *Armtorg Trading Corp.* (Frank, J.), 126 F.2d 978 (2d Cir. 1942).

ment of arbitration agreements had gradually changed to approval of this mode of dispute resolution.[13] Under section 9 the court must enter judgment upon the award of the arbitrators unless certain abuses are apparent.[14] The authority of the courts to relinquish their decision making authority in favor of the arbitrators to the extent described in a private contract has long been assumed to have passed constitutional muster.[15]

From a constitutional viewpoint, we can see no significant difference between arbitration and consensual reference for decision to magistrates. In both situations the parties have freely and knowlingly agreed to waive their access to an Article III judge in the first instance. Or put another way, they have chosen another forum. Indeed, the decision to waive in the case of a consensual reference is more knowledgeable than in the case of an agreement to arbitrate a future dispute because it is made after the issue has crystallized. Both modes of conflict resolution serve the same goals of relieving scarce judicial resources and of accommodating the parties. If it be queried whether the dignity of Article III is being compromised by entering judgments on awards made by non-Article III personnel, the sufficient rejoinder is that judgments are entered on arbitrators' awards.

Defendants, however, urge that, even if there is no con-

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[13] *See* Note, *The Consequences of a Broad Arbitration Clause Under the Federal Arbitration Act*, 52 B.U. L. Rev. 571 (1972).

[14] 9 U.S.C. § 9 provides that judgment "shall be entered upon the award . . . unless the award is vacated, modified or corrected as prescribed in sections 10 and 11." Under these latter sections the court's authority to vacate an award is limited to situations of fraud, bias, or misconduct and its power to modify or correct is limited to material miscalculations or assumption of jurisdiction not granted to the arbitrator.

[15] *See Prima Paint Corp.* v. *Flood & Conklin Mfg. Co.*, 388 U.S. 395 (1967); *Bernhardt* v. *Polygraphic Co. of America*, 350 U.S. 198 (1956); *see also United Steelworkers of America* v. *Warrior & Gulf Navigation Co.*, 363 U.S. 574, 578 (1960).

stitutional defect vitiating consensual references to magistrates, such are now proscribed by the Magistrates Act in light of its legislative history. It is true that the legislative history of the Act clearly demonstrates an intent to subject the court's power to compel a reference of ordinary cases to the limitations of the Federal Rules (including Rule 53(b), preconditioning reference on a finding of exceptional conditions). That question, however, is not now before us.

The question here is whether the legislative history indicates that the same strictures were to be placed on consensual reference. Very little was said on this subject. Most of the voluminous testimony and written presentations were concerned with the duties which, *as of course*, could be assigned to magistrates. But what little was said makes it clear that it was assumed as given that consensual references were available. Defendants have not seen fit to acknowledge the relevant legislative history.

In the first place, the draft of the legislation which was to become the Magistrates Act was accompanied, as early as April of 1966, by a Senate subcommittee staff memorandum, quoted by the district court, stating: "The use of magistrates for duties that do not require the employment of an Article III judge, or in cases in which the parties consent to the use of a magistrate, may do much to increase the efficiency of the Federal Courts." Hearing on S. 3475 before the Subcom. on Improvements in Judicial Machinery of the Senate Comm. on the Judiciary, 89th Cong., 2d Sess., at 14 (1966).

A second indication of Congressional intent stems from the subcommittee's concern over the challenge made by then Assistant Attorney General Fred M. Vinson, Jr. to the proposed assignment of magistrates to try minor offenses if

the defendant knowingly and intelligently consented.[16] The subcommittee then charged its staff to make a study, which resulted in a memorandum addressed to "The Constitutionality of Trial of Minor Offenses by U. S. Magistrates". Hearings on S. 945 before the Subcom. on Improvements in Judicial Machinery of the Senate Comm. on the Judiciary, 90th Cong., at 246-256 (1967). The memorandum concluded that the proposed minor offense provision of the Magistrates bill was constitutional, drawing on factors supported by three separate lines of authority: (1) the fact that the magistrate would be an officer of the court and subject to its control; (2) the necessity of consent ["If any 'right' to trial by a good-behavior tenure judge exists, it is a due process right, which is waivable like other due process rights."]; and (3) the preservation of a right of appeal to the court. *Id.* at p. 254.[17] In the course of the memorandum, a separate subsection entitled "Consensual reference to special master" noted that "In ordinary practice before the Federal district courts, the parties can also consent to delegation of judicial responsibility to a court officer — a special master." and quoted from *Kimberly* v. *Arms, supra. Id.* at p. 253.[18]

Finally, in the Senate Report presenting the legislation to the Senate, S. Rep. No. 371, 90th Cong., 1st Sess. (1967),

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[16] Mr. Vinson's testimony and prepared statement are at pages 107-131 of these Hearings. Defendants cite the point made by this witness as throwing doubt on the capacity of parties to waive trial before an Article III judge in all cases. They do not refer to the subsequent developments referred to in the text. *See also* n. 4 *supra.*

[17] We do not pass on the validity of these perceptions as applied to criminal cases today, but employ them only to establish the Congressional perspective at the time of enactment.

[18] It may be of some significance that the Committee in quoting the language we have alluded to in n. 9, *supra*, saw fit to italicize the words "but not otherwise". While it thus called attention to the "manifest error" language of *Kimberly*, it also indicated that it understood the law to be that while a special master's report under a compelled reference is advisory only, "it is just as conclusive as the decision of the court when the litigants consent to the reference." *Id.* at 253.

the following passage, quoted by defendants, appears at p. 25:

> "(1) A magistrate may be assigned to serve as a special master in an appropriate civil action, under the conditions imposed by pertinent provisions of Federal Rules of Civil Procedure. This latter requirement was added as a clarification in response to comments made by the Committee on the Administration of the Criminal Law of the Judicial Conference. In particular, rule 53(b) provides that a reference to a master shall be the exception and not the rule; that in actions tried by a jury a reference shall be made only when the issues are complicated; and that in actions tried without a jury, save in matters of account, a reference shall be made only upon a showing that exceptional circumstances require it. These conditions, which in essence reflect the rule laid down by the Supreme Court in *LaBuy* v. *Howes Leather Company,* 352 U.S. 249 (1957), protect against any abdication of the decision-making responsibility that is properly that of the district courts."

Defendants omitted the subsequent sentence, which concluded the paragraph:

> "A memorandum entitled 'Restrictions on the Use of Special Masters,' prepared by the staff of the Subcommittee on Improvements in Judicial Machinery and published at pages 281-283 of the hearings before that subcommittee on the Federal Magistrates Act, provides an analysis of rules relevant to the assignment of magistrates as masters."

Recourse to the memorandum referred to reveals a paragraph entitled "General Restrictions", which ends as follows:

> "Furthermore, a reference cannot be made to a master

if it would result in an infringement of a party's right to trial by judge and/or jury or on any other substantive right. *Schwimmer* v. *United States,* 232 F.2d 855 (8th Cir.), *cert. denied,* 352 U.S. 833 (1956). But a party can waive these rights by consenting to a reference. *Allen Bradley Co.* v. *Local 3, IBEW,* 51 F. Supp. 36 (S.D.N.Y.), *reversed on other grounds,* 145 F.2d 215 (2d Cir.), *which was reversed,* 325 U.S. 797 (1943); see *Harte* v. *Williams,* 202 F.2d 190 (D.C. Cir. 1952)." Hearings on S. 945, *supra* at 282.

We see no contrary references in the legislative history. It therefore seems clear to us that the Congressional intent was to leave untouched the tradition, as Congress understood it, that parties could, without violation of Article III freely consent to refer cases to non-Article III officials for decision. We see no suggestion in the committee reports and no reason of policy which would limit consensual reference to "some exceptional conditions" as required by F. R. Civ. Pro. 53(b). As we have indicated above, the factors triggering the decision in *La Buy* are not present when the parties knowingly and freely agree to a reference to a magistrate. Indeed, on occasion, perhaps when the legal issue is closely balanced and the stakes are not high, or when expedition and expense are dominating factors, parties may prefer prompt decision, though by a magistrate, to decision by a judge. This avenue ought not to be barred. But in order that such references not be subtly coerced by a harried court, intentionally or not, district courts should adopt a procedure such as requiring that the parties file with the clerk of the court a letter of consent to have the magistrate render decision in the case, the clerk being bound not to disclose the identity of any who consent or who withhold consent.

That it is constitutionally and statutorily permissible to

refer cases, with the consent of all parties, for initial decision is clear. What does not appear at all clear to us is whether the decision of the referee once rendered is by statute subject to very limited review or to review for any prejudicial legal error as required by F. R. Civ. Pro. 53(e)(4). Mr. Justice Black observed in *Commonwealth Coating Corp.* v. *Casualty Co.,* 393 U.S. 145, 149 (1968), in a case involving an arbitrator charged with partiality, "[W]e should, if anything, be even more scrupulous to safeguard the impartiality of arbitrators than judges, since the former have completely free rein to decide the law as well as the fact and are not subject to appellate review." If review of arbitration awards can be limited to issues involving the integrity of the process (not the correctness of the decision), it may well be that review could be similarly limited as to consensual references for decision. But the actual scope of review that has been provided in the past is unclear. Various references we have cited suggest that the report of a referee to whom a case has been consensually referred for decision stands in the same position as a district court decision, reviewable by a court of appeals for clearly erroneous factual findings and errors of law. This would avoid an added tier of decision, but at the expense of losing the benefit of the district court's deliberaiton. The "manifest error" language in *Kimberly* would indicate a reduced standard, which the district court applied in this case. We have indicated our feeling that as applied to legal error, the term lacks content. It is possible that, following the analogy of arbitration, a truncated review to insure integrity of the process could be devised. But in the present state of the law we would be reluctant to approve even a clearly worded consensual reference to a magistrate which purports to finally bind the parties to his rulings of law. Until Congress, on reviewing the experience under the Federal Magistrates Act, fashions a review pro-

cedure for consensual reference for final (or semi-final) determination of all issues of law and fact, it might be better to rely on the formulation contained in Rule 53(e)(4).[19]

We need attempt no categoric answer to this issue since the reference in this case was not clear enough by its own terms to support the conclusion that the parties consented to a grant of power to the magistrate greater than that outlined in Rule 53 Fed. R. Civ. Pro.[20] The district court relied on the language of the order indicating that the parties agreed to "hearing and determination". But this language is fully compatible with the magistrate as trier of fact whose rulings on the facts are final under Rule 53(e)(4), but whose legal rulings have no binding force. We agree with the district court that the defendants' motion for summary judgment is some evidence of an intent to have the magistrate rule on issues of law, but, in light of the absence of any specific court rule addressing itself to the effect of a magistrate's decision and the failure to include in the order of reference a provision for entry of judgment upon the magistrate's award, we do not find this sufficient.

We must, therefore, treat the district court's failure to review the magistrate's decision on the law under Rule 53 as error. It may well be noted that, deciding that a different standard of review should be applied, logic should com-

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[19] Rule 53(e)(4) reads as follows:

"*Stipulation as to Findings.* The effect of a master's report is the same whether or not the parties have consented to the reference; but, when the parties stipulate that a master's findings of fact shall be final, only questions of law arising upon the report shall thereafter be considered."

[20] The district court itself recognized that the wording of the order was ambiguous, 383 F. Supp. at 331, n. 9, but rejected any constitutional challenge premised on that lack of precision, citing *Yascavage* v. *Weinberger*, 379 F. Supp. 1297, 1303 (M.D. Pa. 1974). We think that case is not authority for the one now before us. Where the scope of the arbiter's authority is to be determined by a voluntary undertaking, the document must clearly demonstrate the terms of the referral.

pel us to remand to the district court. But we would have to repeat the legal review and we see no favor to the parties in prolonging further these aging proceedings. We proceed, then, treating the factual findings of the magistrate adopted by the district court as subject to the clearly erroneous standard of Rule 52(a), and treating the legal decision of the magistrate as subject to the full review of this court.

II. The Merits.

We proceed to review the magistrate's findings in the light of the pleadings, the evidence, and the law. In *DeCosta I* we considered only the first cause of action in the complaint — that for misappropriation of "the idea and character", seeking damages based on defendants' unjust enrichment. Before us now are plaintiff's second and third causes of action, for trademark and/or service mark infringement and for unfair competition. In the second cause of action, plaintiff alleges that the slogan "Have Gun Will Travel", together with a figure of a knight chess piece and the words "Wire Paladin", as used in his calling cards, constituted his distinctive common law service mark or marks, which defendants intentionally infringed, appropriating the goodwill created by plaintiff, causing him serious financial damage. In the third cause of action plaintiff alleges that defendants intentionally copied plaintiff's service marks and his manner of dress (black outfit, white tie, mustache, etc.), and passed off their television character of Paladin as the original Paladin portrayed by plaintiff, profiting and diluting plaintiff's established goodwill, thereby deriving unjust profits. Plaintiff sought injunctive relief, an accounting for all profits, a trebling of "profits lost and damages suffered by plaintiff", plus a separate item of $2,000,000 damages.

The magistrate's well ordered opinion on cross motions or summary judgment was divided into findings of fact, a discussion of preemption and other threshold legal issues, and conclusions of law. After rehearsing the general factual background described in *DeCosta I,* 377 F.2d at 316-317, he made the following critical findings: (1) As to secondary meaning — some 21 witneses knew plaintiff as Paladin, 18 had seen him pass out his cards, and plaintiff received cards and letters addressed to him as Paladin; (2) As to confusion — the card and costume marks and dress of plaintiff were identical to those used in defendants' TV series, with attendant "great likelihood of confusion"; 21 witnesses discerned a similarity between plaintiff and the television Paladin, six first thought the television Paladin was plaintiff; (3) As to plaintiff's commercial activity — he "commercially held himself out to be 'Paladin' " and used his marks in interstate commerce to advertise his services as an entertainer, and in connection with his appearances at his pony ring where children paid for rides, and appearances at paid admission rodeos.

In his legal discussion the magistrate held that *DeCosta I* had not precluded recovery on the second and third causes of action; that the *Sears-Compco* decisions[21] had not preempted application of the common law of service marks and unfair competition or of the Lanham Act, 15 U.S.C. §§ 1125 and 1127; that a belated res judicata claim of defendants based on a trade mark administrative proceeding was not available; that plaintiff was not barred by laches in bringing this action six years after the alleged infringement; and that New York policy and law (as well as the Lanham Act, which is consistent therewith) applied.

Finally, the magistrate concluded that plaintiff's marks were not within the scope of copyright laws; that they had

[21] *Sears Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225 (1964); *Compco Corp.* v. *Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964).

been used in interstate commerce, and had acquired a secondary meaning; and that, although there was no direct competition involved defendants had infringed, had falsely advertised them to be their own, and had therefore unfairly competed. He held that defendants should account to plaintiff for all profits arising from the use of plaintiff's service marks.

We note at the outset of our analysis that two allegations of the complaint meet with no response in the findings of the magistrate; in the second cause of action the allegation of financial damage, and in the third cause of action, the allegation of "passing off". Since plaintiff's role-playing as Paladin was uncompensated, we think that any finding of financial damage would have been unsupported. We say the same about "passing off"; there is no evidence that the CBS nationwide television venture ever sought to draw luster from the Cranston paradigm. We recognize that precision of pleading no longer can be an absolute determinant of either liability or remedy. What, if any, effect these gaps between pleading and proof have we leave for later analysis.

Picking our way through the cluster of issues in several related but different fields of the law, we start where we left off, at *DeCosta I.* We there gave what has since been characterized as an expansive reading to *Sears* and *Compco. See, e.g.,* Comment, *Copyright Pre-emption and Character Values; The Paladin Case as an Extension of Sears and Compco,* 66 Mich. L. Rev. 1018 (1967-1968). We held that "if a 'writing' is within the scope of the constitutional clause, and Congress has not protected it, whether deliberately or by unexplained omission, it can be freely copied." 377 F.2d at 319. Since the cards — including the photograph — "were unquestionably 'writings' within the meaning of the copywright clause, and arguably were copyright-

able under the statute", *id.* at 321, we concluded that plaintiff could prevent others from copying them.[22]

We now know, after *Goldstein* v. *California,* 412 U.S. 546, 560 (1973), that "under the Constitution, the States have not relinquished all power to grant to authors 'the exclusive Right to their respective Writings'." In *Kewanee Oil Co.* v. *Bicron Corp.,* 416 U.S. 470, 478-479 (1974), this holding was summarized: "at least in the case of writings, the States were not prohibited from encouraging and protecting the efforts of those within their borders by appropriate legislation." Were we to take this literally, we would see no reason to look on *Goldstein* as relevant to this case; plaintiff relies on a common law service mark as subsumed also by a federal statute, 15 U.S.C. § 1125 (part of the Lanham Act), but not state legislation. Nevertheless, since the countervailing state law found sufficient in *Kewanee* was common law, not statutory law, we do not read its capsule of *Goldstein* literally.

We face a dilemma. *Goldstein* tells us that we were, in our interpretation of the preemptive reach of the Copyright Clause, over-inclusive. And yet, what we decided in *DeCosta I* has settled, for this case, the issue of misappropriation. Had *Sears* and *Compco* remained unglossed, we might well rule that *DeCosta I* had predetermined our decision on the second and third causes of action. For if defendants could not be prohibited from copying the cards, which gave the defendants all that they took from plaintiff and incorporated in their series, would not any sanction, whether based on service mark infringement or unfair competition, denigrate their license? We do not, however, rest on any such implications of *DeCosta I,* realizing that we do

[22] To the extent that a "character" was "ineffable", incapable of "concrete describable manifestation of intellectual creation", and therefore ineligible for copyright protection, we thought it also ineligible for any protection, state or federal. Pre-*Goldstein*, this supposition had respectable support. *See* Nimmer, The Law of Copyright, Vol. 1, § 30, p. 137, n. 595.

not have a tabula rasa to write upon.

A starting point, of course, is the explicit domain left open in *Sears,* that a state "may protect businesses in the use of their trademarks, labels or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of such goods." 376 U.S. 225, 232.[23] A second guideline is that in *DeCosta I* we dealt only with copying "simpliciter"; to the extent that other elements of other causes of action are relevant, we are free to consider them. In the context of the instant case, we are free to consider deception and passing off, secondary meaning and likelihood of confusion.

Our first inquiry is whether plaintiff's marks and dress are protectible under either the broad concept of unfair competition or that part of unfair competition dealing with trade and service mark infringement. As to plaintiff's dress, this may have had less claim to protection against infringement than his card. For there is no question but that the photograph of plaintiff in full regalia which he widely distributed was copyrightable. 17 U.S.C. § 5(j), *Burrow-Giles Lithographic Co.* v. *Sarony,* 111 U.S. 53 (1884). The card is less vulnerable on copyright preemption grounds. Its three components — the slogan, "Have Gun Will Travel", the name in the phrase "Wire Paladin", and the knight chess piece — are in categories protectible as common law trade or service marks. *See, e.g.,* Callman, The Law of Trademarks, Vol. 3, § 77.4(g) (slogans); § 66.1 (trade names).

What is not clear is whether plaintiff's activities in connection with his marks entitle him to the protection of trade and service mark law. As we said in *DeCosta I,* 377 F.2d at 316, "[t]his was perhaps one of the purest promotions ever staged, for plaintiff did not seek anything but the enter-

[23] While the Court makes reference to goods, we construe the caveat to apply also to common law service marks.

tainment of others." Plaintiff testified that he never used the name "Paladin", the slogan or the chess piece for any business use, and never published any advertisements; that he did not even receive his expenses for appearances at horse shows and rodeos; and that the distribution and mailing of pictures and cards was costly to him. The closest point to commercialism that plaintiff came was in conducting a horse trading business at a ranch, where he stapled some of his cards to some beams near the ceiling of a barn. In 1953, he left that ranch and established a pony ranch, sold rides and, in costume, passed out cards and photographs to children. This business ended in September of 1957, when plaintiff had to move out. Ironically, this was the month when defendant's television series commenced. From then through 1964 plaintiff continued to appear in parades, at hospitals, and at other gatherings, but was not, apart from his employment as a mechanic, associated with any business venture.

While the magistrate found that plaintiff "commercially held himself out" to be "Paladin", and that he used his service marks in interstate commerce to advertise his services, we interpret his holdings not as purely factual ones but as decisions combining both law and fact. That is, the findings could not, on this record, be that plaintiff was engaged in a remunerative business, sparked by the profit motive. Rather, they were findings that plaintiff regularly (on week-ends) held himself out as a personality and entertainer, appearing in various states, and that, even though he incurred expense without receiving income, this activity constituted the rendering of service in interstate commerce. The Lanham Act, 15 U.S.C. § 1127, is, for our purposes, delphic, that is, circular in its relevant definitions. It defines a service mark as "a mark used in the sale or advertising of services to identify the services of one person and

distinguish them from the services of others."[24] "Commerce" means "all commerce which may lawfully be regulated by Congress" and a service mark is deemed to be used in commerce "when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or . . . in more than one State . . . and the person rendering the services is engaged in commerce in connection therewith."

Defendants rely on cases such as *Hanover Star Milling Co.* v. *Metcalf*, 240 U.S. 403 (1916) and *United Drug Co.* v. *Rectanus Co.*, 248 U.S. 90 (1918), for support of the proposition that a trade mark is inseparable from the goodwill of a business. Defendants also cite the recent case, *Heinemann* v. *General Motors Corp.*, 342 F. Supp. 203 (N.D. Ill. 1972), *aff'd*, 478 F.2d 1405 (7th Cir. 1973). In that case a plaintiff had "modified" an ancient Model A Ford and had named it "The Judge", after the well known skit in "Laugh In", a television show. He raced and exhibited his car, occasionally receiving a mileage allowance, radio advertising, and free entry in a race. He intended to open an automobile equipment shop and capitalize on the good will generated by the slogan. After defendant General Motors brought out a new Pontiac called "The Judge", plaintiff adopted another name. The court rejected plaintiff's claims for trade and service mark infringement and unfair competition, holding, citing only *Rectanus, supra,* that the slogan, to be profitable, must be used in connection with a trade or business at the time of the infringing activity. All plaintiff had was the desire to open a business in the future, together with the hobby of racing and displaying his automobile.

From a policy point of view, the functions served by a

[24] It adds, "Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor."

trademark (or service mark)—an indication of origin, a guarantee of quality, and a medium of advertisement, 3 Callman, § 66.3, p. 36—suggest association with enterprises selling their goods or services. Callman refers to a service mark as "the mark of a business that only renders service and is not engaged in the manufacture or sale of goods." *Id.* § 68.1, p. 69. And, again, "The service mark must, of course, be used as an identification mark, and it must perform the same functions in the selling and advertising of services that a trademark traditionally performs in respect of goods." *Id.* § 68.1, p. 71.[25] Our impression, derived from our scrutiny of the cases, the treatises with their myriads of citations, and the periodical literature including the Trade Mark Reporter, is that virtually all the litigation and doctrine center about the pursuit of economic gain.

We say "virtually" because the law of unfair competition now protects "eleemosynary organizations [which] function in commerce and, in form, resemble business enterprises .... The happenstance that they are nonprofit-seeking ventures, and therefore removed, as such, from the rigors of business competition, neither eliminates the element of competition nor disentitles them to protection against the unfair competition of similar organizations." Callman, Vol. 1, § 1.1, p. 4. *See, e.g., The President and Trustees of Colby College* v. *Colby College—New Hampshire,* 508 F.2d 804 (1st Cir. 1975). While the quoted passage speaks only of protection against unfair competition from similar institutions, we have no doubt that a non-profit institution may protect its name against filching by a commercial company. It is not a big step in theory to say that an individual who develops and promotes for entertainment purposes a specialty character associated with a distinctive name, costume, slogan, and

[25] *See, also,* Callman, Vol. 1, § 2.2 for a discussion of good will, in which the common core, whatever may be the generating cause, is economic and pecuniary advantage of a going concern.

other marks, but who never charges a fee, is also entitled to protection under the common law doctrine relating to trademarks and unfair competition. But, if the step were taken, what principle should both guide and limit? If plaintiff is recognized as one who performs services in commerce, what about the hobbyist magician, square dance caller, story teller, amateur actor, singer, barbershop quartette, stand-up comic? How frequent must be the appearances? How prominent the mark? How often must the performer appear in other states to enjoy Lanham Act protection? We know of no logical or obvious line of demarcation. The price of an open-ended extension of protection for some creative activity is, pro tanto, a curtailment of the borrowing, poaching, imitation which underlie so much other innovative activity.

Protection at present has the merits of inherent limitations: the existence of a trade, business, or profession where the "good will" to be protected has been subject to the acid test of the willingness of people to pay for goods or services; or, in the case of nonprofit institutions, the voluntary investment in time, effort, and money of many individuals to create and maintain a program of sufficient interest to consumers, members, and sponsors to warrant protection. We hesitate to take the step of offering common law unfair competition protection to eleemosynary individuals. Whether legislatures are better equipped than courts to deal with this problem, we cannot clearly say, but in our posture of doubt would prefer to see expansion of protection come from that source.

Having exposed our misgivings, we do not rely on a holding that the absence of a profit-oriented enterprise disqualifies plaintiff from protection. We shall assume, therefore, that plaintiff's marks meet the requirements of common law service marks. We also shall assume that they are distinctive enough so that proof of secondary meaning

is not essential. In the alternative, we shall accept the finding of the magistrate, adopted by the district court, that, at least among some people, plaintiff's name and card had come to be associated with him.

This brings us to the critical issue: whether there was a deceiving of the public as the result of defendants' actions. As we have noted, there was not and could not supportably have been a finding that defendants passed off or palmed off their "Paladin" and television program as the creations of plaintiff. Having already decided in *DeCosta I* that there was no culpable misappropriation, we are left with the issue of confusion, or its likelihood.[26] As Callman has said, "It is the gravamen of an action for trademark infringement that the defendant's use of a trademark similar to the plaintiffs' created a likelihood of confusion." Callman, Vol. 3, § 80, p. 538. He states further that "There is a confusion of goods when an 'ordinarily prudent purchaser would be liable to purchase one product in the belief that he was purchasing the other,'" *Id.* at 541 [footnote omitted]. In resolving this issue there are several guidelines: there need not be a similarity of competing activities, *id.* at 539, or goods or services of the same description; confusion may consist in misleading as to the identity of goods, or of source, or of a relationship to the originator, *id.* at 543-546; and "Mere visual or side-by-side comparisons of the trademarks will not alone suffice. Extrinsic facts are highly significant, as, for example, the types of goods, the classes of prospective purchasers, the competitive relationship of the parties, third party registrations, the extent of the public's awareness of the plaintiff's trademark, the manner of trademark use (visual, audi-

[26] This is consistent with the approach of the magistrate, who held that New York law was applicable. He cited and quoted, *inter alia*, *Geisel* v. *Poynter Products, Inc.*, 238 F. Supp. 261 (S.D. N.Y. 1968), which, in applying New York law, said, "The plaintiff is not required to prove actual palming-off. A showing of the likelihood of customer confusion as to the source of the goods is sufficient."

tory, or mental), the degree of the defendant's necessity to use his mark, and the trend towards expansion in the respective trade or industry as to territory or line of merchandise.[27] *Id.* at 556.

There is another factor, we think, which should guide a judgment as to likelihood of confusion—the time when the evidence is submitted. There is ample reason, at the incipiency of an alleged infringement, in a suit seeking injunctive relief, for a plaintiff to argue and a court to rule that the similarity of marks is such that confusion is all too likely to ensue. Plaintiff should not be expected to stand by and await the dismal proof. Callman, Vol. 3, § 80.6, pp. 559-560. "[C]onversely", adds Callman, "after the lapse of substantial time if no one appears to have been actually deceived that fact is strongly probative of the defense that there is no likelihood of deception arising out of the use of the mark in question." *Id.* at 562. Defendants have urged that plaintiff, having delayed for almost the entire limitations period before bringing suit, should be barred by the doctrine of estoppel by latches from further prosecution of this litigation. Plaintiff's rejoiner is that he was, during this period, going from attorney to attorney, seeking assistance before he was able to make progress. We do not find in the authorities sufficient support, where defendants' action was found by the jury to be deliberate and knowing, to invoke this doctrine. Nevertheless, we do say that the delay, for reasons stated, increases the quantum of proof of confusion which the plaintiff has the obligation to supply.

When we examine the magistrate's opinion on this issue, we find only a finding as to the identical nature of the marks used by plaintiff and defendants and the resulting "great likelihood of confusion" therefrom, and another that "At

[27] Following the passage, Callman adds, in his 1974 Cumulative Supplement, p. 46, "Such extrinsic facts may be so controlling that, notwithstanding the identity of the conflicting trademarks, there is no likelihood of confusion."

least 6 . . . witnesses testified that they had at first thought, on viewing the television program, that Richard Boone was the plaintiff Mr. DeCosta until they learned the contrary from viewing the credits of the show, or otherwise."[28] The paucity of these findings takes on some significance when we note that after remand of the case to the district court in 1968, following our decision in *DeCosta I*, the plaintiff was given the opportunity to supplement the record in support of his second and third causes of action. The quoted findings are the result.

The magistrate's findings being treated as final, they are here subject to the same standard of review as are district court findings under Fed. R. Civ. Pro. 52(a). They must be accepted unless clearly erroneous. On this issue, however, we see no alternative to saying the finding is not supported. If the identity of the marks settled the question of likelihood of confusion, there was no need for further evidence after *DeCosta I;* we had taken some pains to make the point. But, in fact (rather, in law) extrinsic evidence, as we have noted, should be considered. Here, the disparities are substantial. Plaintiff's enterprise was localized; defendants' was nationwide. Plaintiff's appearances were simple happenings, passing out cards and pictures, riding, occasionally walking his horse, and executing a quick draw gun maneuver; defendants' extrinsic television series portrayed an elegant hired gun on manifold missions. Plaintiff's "customers" were attendees at rodeos and parades, patients at hospitals, etc.; defendants' purchasers were its program's sponsors, who in turn were responsive to the nation's television audience. Moreover, plaintiff's suit was not brought in 1957 when the alleged infringement began; the testimony as to likelihood of confusion was introduced by affidavit eleven years later,

[28] Another finding, that 21 witnesses thought on viewing the television program that "There was a physical similarity" between plaintiff and the television character falls short of proof that they were "actually deceived".

when the first run of defendants' series had terminated. After this lapse of time, the testimony of six witnesses that they thought, on first viewing the program, that the television character Paladin was plaintiff is sufficient evidence of likelihood of confusion to support an accounting of defendants' profits from a highly successful, 225 episode series grossing over fourteen million dollars, seems to us either no evidence at all or so minimal as not to support a finding of likelihood of confusion. We do not blame plaintiff or counsel; we suspect that the most exacting search for proof would not have produced more.

We recognize that plaintiff has lost something of value to him. The very success of defendants' series saturated the public consciousness and in time diluted the attractiveness of plaintiff's creation, although he continued his appearances longer than defendants' first run. While he was not injured financially, there can be no doubt that he has felt deprived. As a commentator has observed, "[I]t could be argued that the most appropriate measure of damages would be the emotional harm that he suffered when CBS exploited his character and lured his audience away." 66 Mich. L. Rev. at 1034. But to give any relief, however tailored, we need a predicate of liability. Absent the ultimate fact of confusion, we cannot find a basis for liability for common law service mark infringement or unfair competition.

Judgment reversed. Remanded with instructions to enter judgment for defendants.

ALDRICH, *Senior Judge,* (concurring). I concur in the court's opinion, except in the possibilities it leaves open with respect to review of a magistrate's rulings of law. On that issue the court states that it is "not at all clear . . . whether

the decision . . . is by statute free of any review, subject to very limited review, or must be held at least to review for any prejudicial legal error as required by F.R.Civ.P. § 53(e)(4)." It is true that the court adopted the final alternative, but this was because the reference had not made clear that review would be any more restricted. I am troubled that other possibilities should even be contemplated.

As to the first mentioned, it is true that arbitrators are normally free of review, legal as well as factual. I do not believe, however, that the magistrate system was provided by Congress to furnish free arbitration service. If parties are content to work outside the judicial system, well and good, but I cannot think Congress intended to pay for it, even though, in a broad sense, a non-reviewable magistrate would "assist" the courts more than one subject to review. I add that to have such unlimited power would not be good for magistrates themselves, who must normally function in a framework of assistance, not of final decision. *Cf. O'Shea* v. *United States,* 1 Cir., 1974, 491 F.2d 774.

At least non-review would be a recognizable procedure. The intermediate suggestion, that magistrates should, with the consent of the parties, make rulings of law are subject to review for manifest error, only, to me makes no sense whatever. It would be an anomaly in the law. I do not know the standard it suggests, or how one would apply it. In the case of an alleged manifest error of fact, if the evidence supports a finding either way the magistrate's choice will be final. How does a magistrate have discretion to choose between two rulings of law? The law is the law. Of course there may be a non-prejudicial error, but that is not what the court is talking about. Secondly, why should a magistrate be given such power? The court's recognition of such a possibility seems to me both unworkable and unwarranted.

It is true that in the case of *Kimberly* v. *Arms,* 1889, 129

U.S. 512, the Court might be thought of having spoken of such a form of review. I believe, however, that the language should be taken as a whole. At page 524 appears the following:

> "A reference by consent of parties, of an entire case for the determination of all its issues, though not strictly a submission of the controversy to arbitration—a proceeding which is governed by special rules—is a submission of the controversy to a tribunal of the parties' own selection, to be governed in its conduct by the ordinary rules applicable to the administration of justice in tribunals established by law. Its findings, like those of an independent tribunal, are to be taken as presumptively correct, subject, indeed, to be reviewed under the reservation contained in the consent and order of the court, when there has been manifest error in the consideration given to the evidence, or in the application of the law, but not otherwise."

If by this language the Court meant that the errors of law, there by a special master, were less reviewable than what has since been fully understood to be the normal scrutiny applied to masters, and certainly is applied to rulings of Article III judges, I believe it was an inadvertence. If not, it has never been repeated. I see no basis for suggesting that a magistrate should be in such a unique position that he is less reviewable than anyone else in the judicial system, and I regret that my brethren should be willing even to contemplate it.

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UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

[SEAL]

No. 74-1391.

VICTOR DeCOSTA,
Plaintiff, Appellee,

v.

COLUMBIA BROADCASTING SYSTEM, INC., ET AL.,
Defendants, Appellants.

JUDGMENT

Entered June 24, 1975

This cause came on to be heard on appeal from the United States District Court for the District of _____ Rhode Island _____, and was argued by counsel.

Upon consideration whereof, It is now here ordered, adjudged and decreed as follows:

The judgment of the district court is vacated and the cause is remanded with instructions to enter judgment for defeandant.

No Costs.

By the Court:
Dana H. Gallup
Clerk.

Enter: Coffin, Ch. J.

[cc: Messrs Girden and Dworkin.]

DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF RHODE ISLAND
Civil Action No. 3130

[SAME TITLE]

OPINION

September 23, 1974

PETTINE, Chief Judge. The question being decided by the Court today is whether an order of reference to the Magistrate of this district for "hearing and determination" of a civil non-jury case by stipulation of the parties and counsel was ultra vires and beyond the jurisdiction delegated to United States Magistrates under Title 28 U.S.C. § 636(b); violative of defendants' constitutional rights and void ab initio.

A three count complaint was filed in this controversy and by agreement of the parties Count One was tried to a jury before another judge of this Court with Counts Two and Three, dealing with infringement of a claimed common law service mark and alleged unfair competition, reserved for disposition by the Court sitting without a jury.

On August 6, 1973, subsequent to the trial on Count One, the parties executed a stipulation that Counts Two and Three be determined by this judge on the basis of the trial transcript including all exhibits, together with a stipulation of additional testimony. On October 5, 1973 by agreement of all the parties concerned an order was entered referring the matter to the Magistrate under authority of 28 U.S.C. § 636.[1]

Briefs were submitted to the Magistrate and oral arguments, electronically recorded, were considered not only

on the merits of the case but also on motions directed to him by the defendants to add the affirmative defense of res adjudicata. On April 15, 1974 a report was filed by the Magistrate setting forth his findings of fact and conclusions of law sustaining the plaintiff's position. On April 19, 1974 for the first time the defendants objected to this procedure and argue "they nor their attorneys were actually aware, or had any reason to be aware of their lack of capacity to ratify the reference . . . that consent to a procedure that is statutorily *ultra vires* and constitutionally infirm in the first instance is without effect." (Defs.' memo, pp. 16-17.) This Court granted a stay of all further proceedings pending determination of the validity of the referral.

The need to relieve the burdening case load of federal courts has spawned the Federal Magistrates Act which became law on October 17, 1968. The assistance to district judges which a magistrate can render as set forth in the Magistrates Act encompasses a variety of functions including the broad power vested in the court to assign to magistrates as "Article 1[2] judges," "such additional duties as are not inconsistent with the Constitution and laws of the United States."[3] Through this mechanism judges can best relieve the congestion of overcrowded dockets.[4] However, the extent of the judges' authority to delegate and the scope of review are not entirely clear. Both are being defined through the evolving process of decisional law which, since the enactment of the Magistrates Act, has not spoken to the precise issues at stake in this controversy.[5]

This entire discussion of the legality and constitutionality of the reference to the United States Magistrate made herein must be prefaced by citation to the myriad of provisions pursuant to which the reference was made. The order of reference (note 1, *supra*) was not simply an *ad hoc* determination by the Court, but was premised not only on

the consent of the parties, but in addition on the following statutory provisions and rules:

(1) The United States Magistrates Act, 28 U.S.C. § 631 *et seq.*, especially § 636(b), (note 3, *supra*);

(2) Rule 32 of the Local Rules of the United States District Court for the District of Rhode Island;[6]

(3) The "Standing Order Providing for the Utilization of United States Magistrates" of the United States District Court for the District of Rhode Island, as amended.[7]

The background of the reference made herein is highlighted by two very important factors, which will be developed more fully *infra*:

(1) The consent of the parties to a "hearing and determination" by the Magistrate, including the defendants' specific invocation of the magistrate's powers subsequent to the reference with regard to a motion to amend, and;

(2) The opportunity reserved to the parties for review of the Magistrate's findings by the referring judge.

On the basis of these two factors, the authority cited by the defendants can clearly be distinguished. The significance of the consent by the parties cannot be ignored nor be negated by the unbecoming statement of defense counsel that, "Neither they [clients] nor their attorneys were actually aware, or had any reason to be aware of their lack of capacity to ratify the reference." Such self deprecation after adverse findings might have served a useful purpose if this Court could accept the premise that the delegation was in the first instance an unconstitutional abdication of this Court's judicial function as an "Article 3 judge."

To me decisional law and the Magistrates Act itself[8] leaves little doubt that consensual references in civil matters are authorized.

Extent of Order of Reference

It has been stated, with respect to orders of reference to a master, that such an order is "at once the chart and limitation of the master's authority." *Ferguson Contracting Co.* v. *Manhattan Trust Co.,* 118 F. 791, 794 (6th Cir. 1902). See 5A, J. Moore *Federal Practice,* paragraph 53.06 at 2966. The same is undoubtedly true as to references to a magistrate. While the instant order denominated the reference as one "for hearing and determination," it is clear that this order, when read in light of the Local Rules and the Standing Order, see notes 6 and 7 *supra,* reflects that the parties consented to a hearing and determination by the Magistrate, which, of course, is subject to review by the referring judge.[9] The issue to be determined as discussed *infra* is the standard of review. The defense argument that this consensual reference was *ultra vires* as a reference for *final* determination is simply without merit.

Authority to Refer Under Federal Magistrates Act Broader Than Under Rule 53, Fed.R.Civ.P.

Defendants press their objection to the reference herein beyond the above erroneous assumption that the magistrate was delegated the authority to enter a final judgment not subject to review by the district judge. Such further objection is apparently premised on the theory that reference to the magistrate in a civil action of matters going to the merits of the litigation must be made, if at all, in accordance with the strict requirements of a reference to a master under Rule 53, Fed.R.Civ.P. In particular, the

defendants attach overriding consideration to the fact that, under Rule 53(b) "[a] reference to a master shall be the exception and not the rule" and that no "exceptional conditions" existed in the instant case to justify the reference, despite consent of the parties. See *LaBuy* v. *Howes Leather Company,* 352 U.S. 249, 77 S.Ct. 309 (1957) (congested calendar not "exceptional condition" justifying reference to master under Rule 53(b)).

Defendants overlook, however, the fact that reference to a United States Magistrate pursuant to 28 U.S.C. § 636(b) may be broader than reference to a master under Rule 53(b), and indeed should be in order to accomplish the broad goals that the Magistrates Act was designed to facilitate.

In *Yascavage* v. *Weinberger,* F.Supp. (#72-232 Civil, M.D.Pa., May 15, 1974), the court, in considering an appeal from an administrative decision denying certain Social Security benefits to petitioner, referred the Government's motion for summary judgment to the magistrate for report and recommendation to the district judge. Upon motion to vacate the referral, on the grounds that it exceeded the parameters of a referral to a master as embodied in Rule 53(b), the court in upholding the referral made particular note of the following language from the statute:

> "[the magistrate] may be assigned such *additional duties as are not inconsistent with the Constitution and laws of the United States.* The additional duties authorized by rule *may include, but are not restricted to*—
>
> (1) Service as a special master in an appropriate civil action . . . ." (emphasis added)

The court in *Yascavage* in criticizing and specifically rejecting the narrow reading of the Act in *Ingram* v. *Richardson,* 471 F.2d 1268 (6th Cir. 1972) noted that the limitation of magistrate utilization to the duties enumerated in § 636(b)

was an "unduly restrictive" view of the Act in light of the "additional duties" language highlighted above.[10]

> "There is no indication [in the legislative history of the Magistrate's Act] . . . that it was considered that *all* matters referred to a magistrate are referrals as a master under Rule 53(b), and the language of § 636(b), of course, would not justify any such construction of the Act." [11]

Thus, § 636 is an express legislative recognition that the magistrate may be assigned any duties which are not inconsistent with the Constitution and laws of the United States. The issue herein is therefore quite narrow—is the reference to a United States Magistrate, of cross-motions for summary judgment, upon the express consent of the parties with the right of review to the referring judge, a delegation of authority in contravention of the Constitution and laws of the United States. I find the reference made herein was entirely within the scope of § 636(b) and was entirely consistent with the Constitution.

Defendants rely heavily on the Seventh Circuit's decision in *TPO, Incorporated* v. *McMillan,* 460 F.2d 348 (7th Cir. 1972), in which case the court concluded

> ". . . that magistrates have no power to decide motions to dismiss or motions for summary judgment, both of which involve ultimate decision making, and the district courts have no power to delegate such duties to magistrates."

While the broad holding in *TPO* appears to favor defendants' position, I cannot accept this decision as precedent for the case at bar, for a closer examination of the entire opinion reveals a number of facts which would distinguish the reference made therein from the instant case. In *TPO* the decision to refer the case to the magistrate was that of the court, without the consent of the

parties. The party opposing the reference made an immediate motion to vacate the reference, which was denied. After the magistrate entered an order denying the motion to dismiss (the subject matter of the reference), the party opposing the reference immediately sought relief from the order of reference by means of a mandamus petition to the appellate court. At the time of the reference, neither the local rules or the order of reference provided for review of the magistrate's finding by the district court. A totally dissimilar situation is before me, in that total and unfettered consent of the parties was obtained prior to the reference, no efforts were made to vacate the order of reference until the Magistrate had completed his assignment, and right to seek review from the referring judge was preserved.[12]

Analogously, consensual references to a master to hear and decide all issues and to report his findings of fact and law have previously been found not to offend the Constitution, at least insofar as a right to review in the district court is preserved. See *Kimberly* v. *Arms,* 129 U.S. 512, 9 S.Ct. 355 (1889); *Davis* v. *Schwartz,* 155 U.S. 631, 15 S.Ct. 237 (1895); *Eichberg* v. *United States Shipping Board Emergency Fleet Corporation,* 273 F. 886 (D.C.Cir. 1921). It is true that these cases enumerated a more restrictive standard of review in the district court in situations in which reference to the master was consensual. It is equally true that such a distinction as to standard of review enumerated in those cases has been abrogated by Rule 53(e)(4), Fed. R. Civ. P.[13] However, the precedential value of the decision in *Kimberly* v. *Arms, supra,* and its progeny is *not* that they represent the current status of the law with regard to reference to a master, but more importantly for our purpose, that they stand for the clear approval by the Supreme Court that a consensual reference to other than an Article III judge, even if accompanied by less than *de novo* review by the district court, is not inconsistent with the Constitution of the United States. Viewed in this

light it is clear that a consensual reference to a magistrate, even if beyond the rigid requirements of a Rule 53 reference, is still a *constitutional* reference within the parameters of the "additional duties" provision of the Magistrates Act.

I fail to find the rationale behind the restrictions on Rule 53 references to masters to be applicable to consensual references to the magistrate. In *LaBuy* v. *Howes Leather Company, supra,* the court reiterated the admonition in Rule 53 itself that reference to a master "shall be the exception and not the rule" and that "save in matters of account and of difficult computation of damages, a reference shall be made only upon a showing that some exceptional condition requires it." The court clearly favored,

> ". . . trial before a regular, experienced trial judge rather than before a temporary substitute appointed on an *ad hoc* basis and ordinarily not experienced in judical work." 352 U.S. at 259.

In enacting the Magistrates Act, however, Congress has expressly provided for safeguards to the dangers of delay, incompetency and conflict of interest which the Supreme Court in *LaBuy* found endemic in the system of reference to a master. See *United States* v. *Eastmount Shipping Corporation, supra.*[14] It is easy to see, therefore, why Congress did not limit the use of a magistrate to service as a master but indeed broadened the potential scope of his authority to include "additional duties not inconsistent with the Constitution and laws of the United States."

Furthermore, even as to references to a master, *LaBuy* does not address itself to the question of a consensual reference, since the reference therein was made by the court *sua sponte* without the consent of the parties and was contested by *all* parties *prior* to compliance with the order through motions to vacate the reference. Upon denial of those motions in the district court, the parties sought immediate relief in the Court of Appeals by seeking mandamus against the referring judge. As in *TPO, supra,* the question of a consensual reference to a duly authorized Article I judge in a civil case was simply not dealt with by the Supreme Court in *LaBuy.*

Consent and Waiver

The assumption behind a "waiver" theory is that the reference was initially invalid but that the defendant, by consenting to and acquiescing in the magistrate's consideration of the issues, defendant waived any objection to the reference itself (wholly apart from objections on the merits to the findings of fact and conclusions of law by the magistrate). As discussed previously, I do not find that the reference was improper. However, even under a restrictive view of the Magistrates Act, I find plentiful support in the decisional law to the effect that the consent of the defendants to reference to a master under Rule 53, without timely objection to the order of reference, constitutes a waiver of objections to the reference. *McGraw-Edison Company* v. *Central Transformer Corporation,* 308 F.2d 70 (8th Cir. 1962); *First Iowa Hydro-Electric Cooperative* v. *Iowa-Illinois Gas and Electric Company,* 245 F.2d 613 (8th Cir.) 355 U.S. 871 (1957); *Hart v. Williams,* 202 F.2d 190 (D.C.Cir. 1952); *Westchester Fire Insurance Co.* v. *Bringle,* 86 F.2d 262 (6th Cir. 1936); *Smith* v. *Brown,* 3 F.2d 926 (5th Cir. 1925).[15] There is simply no support for defendants' theory that a consensual reference to a master under Rule 53, even if arguably beyond the "exceptional conditions" language of the Rule, is void ab initio.[16] Nor is the analogy to the rule that subject matter jurisdiction cannot be conferred on a court by consent valid as to a consensual reference to a magistrate.[17]

Standard of Review

The final inquiry concerns the weight to be given to the magistrate's findings of fact and conclusions of law upon review by the district judge. The Standing Order of this Court as to the utilization of United States Magistrates, as amended, is cited in pertinent part in note 7, *supra*.

While the Standing Order makes no distinction between the standard of review as it pertains to consensual or non-consensual references, I find that Paragraph 13.1 sets the standard of review *only* for reconsideration of non-consensual references. If the Magistrates Act is to achieve the formidable goal of relieving the burgeoning case load of the district courts, the findings of a magistrate following a consensual reference to him must be taken as presumptively correct upon review by the district judge. Thus the standard of review adopted by the Supreme Court in *Kimberly* v. *Arms, supra,* pertaining to review following a consensual reference to a master, will be adopted by this Court for review following a consensual reference to a magistrate. In *Kimberly,* the court stated:

> "It is not within the general province of a master to pass upon all the issues in an equity case, nor is it competent for the court to refer the entire decision of a case to him, without the consent of the parties. It cannot, of its own motion, or upon the request of one party, abdicate its duty to determine by its own judgment the controversy presented, and devolve that duty upon any of its officers. But when the parties consent to the reference of a case to a master or other officer to hear and decide all the issues therein, and report his findings, both of fact and of law, and such reference is entered as a rule of the court, the master is clothed with very different powers from those which he exercises upon ordinary references, without such consent; and his determinations are not

> subject to be set aside and disregarded at the mere discretion of the court. A reference, by consent of parties, of an entire case for the determination of all its issues, though not strictly a submission of the controversy to arbitration,—a proceeding which is governed by special rules,—is a submission of the controversy to a tribunal of the parties' own selection, to be governed in its conduct by the ordinary rules applicable to the administration of justice in tribunals established by law. *Its findings, like those of an independent tribunal, are to be taken as presumptively correct, subject, indeed, to be reviewed, under the reservation contained in the consent and order of the court, when there has been manifest error in the consideration given to the evidence, or in the application of the law, but not otherwise.* The reference of a whole case to a master, as here, has become in late years a matter of more common occurrence than formerly, though it has always been within the power of a court of chancery, with the consent of parties, to order such a reference. Haggett v. Welsh, 1 Sim. 134; Dowse v. Coxe, 3 Bing. 20; Prior v. Hembrow, 8 Mees. & W. 873. The power is incident to all courts of superior jurisdiction. Newcomb v. Wood, 97 U.S. 581, 583. By statute in nearly every state, provision has been made for such references of controversies at law. And there is nothing in the nature of the proceeding, or in the organization of a court of equity, which should preclude a resort to it in controversies involving equitable considerations.
>
> By the consent in the case at bar it was intended that the master should exercise power beyond that of a reporter of the testimony. If there had been such a limitation of his authority, there would have been no purpose in adding to his power 'to hear the evidence' the power to 'decide all the issues

between the parties, and make his report to the court, separately stating his findings of law and of fact,' together with the evidence. To disregard the findings, and treat the report as a mere presentation of the testimony, is to defeat, as we conceive, the purpose of the reference, and disregard the express stipulation of the parties. We are therefore constrained to hold that the learned court below failed to give to the findings of the master the weight to which they were entitled, and that they should have been treated as so far correct and binding as not to be disturbed, unless clearly in conflict with the weight of the evidence upon which they were made."

129 U.S. at 524-25, 9 S.Ct. at 359-60 (emphasis added).

The Court is mindful that the standards for review set down in *Kimberly* are no longer applicable to consensual references to a *master* by virtue of Rule 53(e)(4), Fed.R.Civ.P. See note 13, *supra*. However, because the Magistrates Act was specifically designed to overcome the problems inherent in the system of references to a master, *Yascavage* v. *Weinberger, supra*; Comment, 40 U.Chi.L.Rev. 584 (1973), and since the Magistrates Act expressly permits references *beyond* those which would be permitted to masters under the strictures of Rule 53, this Court is not bound to follow the review standards currently in effect as to Rule 53 references with regard to review of a magistrate's finding following a consensual reference. All that is required under the "additional duties" language of 28 U.S.C. § 636(b), is that the reference (and hence the review thereof) not offend the Constitution and laws of the United States. The holding of the Supreme Court in *Kimberly* v. *Arms, supra*, stands as clear and unambiguous authority that the "presumptively correct" and "manifest error" standards enumerated therein, as

to both findings of fact and conclusions of law, are constitutionally valid criteria for district court review following a consensual reference to the magistrate, despite the fact that Rule 53, Fed.R.Civ.P. has modified those standards with regard to consensual references to a master.

The defendants having filed a timely motion for reconsideration of the Magistrate's findings,[18] the Court will proceed to review said findings pursuant to the standards as set forth in *Kimberly* v. *Arms, supra*.

Review of Magistrate's Findings

As discussed *supra*, the question before this Court on review of the Magistrate's rescript is whether there is "manifest error" in the Magistrate's findings of fact and conclusions of law. Upon a careful reading of the Magistrate's rescript and of the post-hearing briefs and the record, I find there are several novel and provocative issues of law which are determinative of the rights of the respective parties to this action. Among these, I particularly note the following:

> (1) What is the legal basis upon which a common law property right in a service mark or trade dress is acquired? Has plaintiff acquired such rights? Must use of an entertainer's service mark be in connection with an established "trade or business," i.e., to identify the origin of a valuable commercial goodwill? Is the rationale enunciated in *Heinemann* v. *General Motors Corp.*, 342 F.Supp. 203 (N.D. Ill. 1972) dispositive of this issue? Is the common law in relation to the acquisition of trademarks fundamentally different than for an entertainer's acquisition of service marks?
>
> (2) The Magistrate found (findings of fact #21-23) that the plaintiff was the first to create and use the "Paladin" marks in interstate commerce and

that they were commercially used by him to identify and advertise his services as an entertainer and performer. Does such a finding meet the test for the creation of a common law property right in the marks, and is such a finding supported by the evidence?

(3) Conceding, as defendants do (Defs.' memorandum at 27) that a trademark or service mark need not be appurtenant to a profit-making business or trade, is it relevant whether the plaintiff herein performed his entertainment services for a fee?

(4) Are the Magistrate's findings as to "likelihood of confusion" to the public (findings of fact #17 and #18) pertinent to the infringement or unfair competition claims? (Defs.' memorandum at 33-37).

(5) Was the First Circuit opinion in *Columbia Broadcasting System, Inc.* v. *DeCosta*, 377 F.2d 315 (1967) (in reversing jury verdict as to Count I of the complaint) res judicata or otherwise dispositive of plaintiff's claims of service mark infringement and unfair competition (Counts II and III)? Can it be said that under federal law plaintiff's alleged "marks" and "trade dress" have been placed in the public domain under the theory of *Sears, Roebuck & Co.* v. *Stiffel Company*, 376 U.S. 225 (1964) and *Compco Corp.* v. *Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), or are they to be considered true service marks exempted from the thrust of the *Sears-Compco* decisions and thus afforded protection under state law.

(6) Is New York law the appropriate choice under Rhode Island choice of law principles, and does New York law of unfair competition (and/or the federal law, 15 U.S.C. § 1125(a)) support judgment for plaintiff in addition to and/or wholly apart from the common law of service mark infringement?

I recognize the complexity of these issues and that resolution of this matter, whether in favor of plaintiff or defendants, requires extended analysis of legal principles in the context of a rather unique and novel factual record. This case involves subtle shadings of interpretation of the law which are not easily isolated but which are dispositive of the legal rights of the instant parties. I hasten to add that the travel of this complex litigation has not been typical. As the oldest case on the docket of this Court, it had been pending for more than ten years when the parties finally agreed in no uncertain terms to have this matter "heard and determined" by the Magistrate.

Without an appellate type of review but rather applying merely a "manifest error" standard of evaluation, I am not prepared to hold that the Magistrate's findings of fact and conclusions of law are unequivocally wrong.

It appears to me that a "manifest error" standard of review by the district court is not only constitutionally appropriate when restricted to a consensual reference as I have discussed, *supra*, but it also gives full meaning to the Congressional intent that magistrates relieve the work-load in federal trial courts. If this is not so, then cases such as the one at issue will result in no savings of time to the court and litigants. On the contrary, it will only add an additional and time-consuming tier to the judicial process and effect little or no case backlog relief. The parties themselves sought the services of such a forum; a forum created by Congress pursuant to the Constitution, see note 2, *supra;* and in this case it was to resolve, with least possible future delay, a matter that had been pending an incredibly long period of time.

By "manifest error," we mean "evident error," "obvious," "capable of being easily understood or recognized at once by the mind." (Webster's Third New International Dictionary).

I am well aware of our appellate court's admonition that a pro forma "laying of hands" upon a magistrate's report will not be sanctioned following a reference. This teaching, however, involved two cases, namely, *Rainha* v. *Cassidy*, 454 F.2d 207 (1st Cir. 1970) and *Reed* v. *Board of Election Commissioners of City of Cambridge*, 459 F.2d 121 (1st Cir. 1972), which are distinguishable. See note 5, *supra*.

I make no pretense of either affirming or reversing the Magistrate. I simply find no manifest error and, therefore, while neither affirming or reversing, I deny the defendants' motion to vacate the Magistrate's rescript, adopt the Magistrate's report and enter a final and appealable judgment based thereon.

RAYMOND J. PETTINE
Chief Judge

September 23, 1974

FOOTNOTES

[1] "ORDER

Pursuant to stipulation of the parties on each side and of counsel on each side, the above captioned case is referred, under authority of 28 U.S.C. 636, to United States Magistrate Jacob Hagopian for hearing and determination to be had on or before November 5, 1973."

[2] The use of the title "Article I Judge" merely indicates that the magistrate's powers stem solely from the Congress, by legislative enactment, and not from Article III of the Constitution. This does not mean, however, that the position of United States Magistrate constitutes "a tribunal inferior to the Supreme Court" pursuant to Article I, Section 8, Clause 9 of the Constitution. As the Supreme Court made clear in *Glidden Company* v. *Zdanok*, 370 U.S. 530, 82 S.Ct. 1459 (1962):

> "The Constitution nowhere makes reference to 'legislative courts.' The power given Congress in Art. I, § 8, cl. 9, 'To constitute Tribunals inferior to the Supreme Court,' plainly relates to the 'inferior Courts' provided for in Art. III, § 1; it has never been relied on for establishment of any other tribunals."
> 370 U.S. at 543, 82 S.Ct. at 1469.

The Supreme Court in *Glidden* went on to explain the test of when a tribunal is to be recognized as one created under Article III:

> ". . . whether a tribunal is to be recognized as one created under Article III depends basically upon whether its establishing legislation complies with the limitations of that article; whether, in other words, its business is the federal business there specified and its judges and judgments are allowed the independence there expressly or impliedly made requisite."
> 370 U.S. at 552, 82 S.Ct. at 1474.

And, of course, the powers enumerated in Article III, Section 2 of the Constitution can be exercised only by judges who are afforded the protections of Article III, Section 1 (tenure for good behavior and assurance against diminution of salary). It is clear that the magistrate is not granted Article III powers nor is he afforded Article III protections. He is granted certain powers by Congress only as supportive of the district judge, and not as an independent Article III tribunal. Since he is not vested with the powers enumerated in Article III, his duties are limited to those provided for in the statute

by which the office was created. I make no pretense of holding that a magistrate has the power, as an indepedent tribunal, to exercise final decision-making authority as to purely Article III "cases" or "controversies." However, as noted *infra*, the Magistrates Act authorizes the magistrate to perform such additional duties as are not inconsistent with the Constitution and laws of the United States. The Supreme Court, in *Kimberly* v. *Arms*, 129 U.S. 512, 9 S.Ct. 355 (1889), discussed in more detail *infra*, teaches us that a *consensual* reference to a non-article III officer, with review in the district court limited to the question of "manifest error" is an entirely constitutional delegation and *not* an abdication of power by the Article III judge.

[3] 28 U.S.C. § 636(b) provides:

> "(b) Any district court of the United States, by the concurrence of a majority of all the judges of such district court, may establish rules pursuant to which any full-time United States magistrate, or, where there is no full-time magistrate reasonably available, say part-time magistrate specially designated by the court, may be assigned within the territorial jurisdiction of such court such additional duties as are not inconsistent with the Constitution and laws of the United States. The additional duties authorized by rule may include, but are not restricted to—
>
> (1) service as a special master in an appropriate civil action, pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts;
>
> (2) assistance to a district judge in the conduct of pretrial or discovery proceedings in civil or criminal actions; and
>
> (3) preliminary review of applications for posttrial relief made by individuals convicted of criminal offenses, and submission of a report and recommendations to facilitate the decision of the district judge having jurisdiction over the case as to whether there should be a hearing."

[4] The broad goal of the Magistrates Act was stated in the House Report on the bill:

> ". . . to cull from the ever-growing work-load of the U.S. district courts matters that are more desirably performed by a lower tier of judicial officers." H.Rep. No. 1629, 90th Cong., 2d Sess. (U.S. Code Cong. and Admin. News, 1968, at 4255).

[5] It should be noted that the recent Supreme Court decision in *Wingo* v. *Wedding*, 42 U.S.L.W. 5167 (U.S. June 26, 1974) is not pertinent to the instant matter. In *Wingo* a magistrate, by

local rule of the district court, was authorized to conduct evidentiary hearings in federal habeas corpus actions. The Supreme Court held that the Habeas Corpus Act was an express legislative determination that such hearing must be held by a "judge" of the district court, and on that basis found the local rule to be contrary to the Congressional mandate. The Court never reached the question of whether Congress could enact Constitutionally permissible legislation expressly giving a magistrate the power to hold evidentiary hearings on petitions for habeas corpus. *Id.* at n. 4.

Nor has the First Circuit expressly ruled on the question of consensual referrals to a magistrate in civil matters.

In *O'Shea* v. *United States*, 491 F.2d 774 (1st Cir. 1974) a habeas petition was referred by the district court to a magistrate who recommended that the case be dismissed, without discussing any law on the subject. The court, thereupon, without affording the petitioner an opportunity to be heard, dismissed the petition without opinion. While the court's holding with reference to the power of a magistrate to hold evidentiary hearings on habeas corpus petitions has been modified by the Supreme Court's holding in *Wingo, supra*, the court expressly approved the use of the magistrate to report and recommend to the district court on applications for post-trial relief made by individuals convicted of criminal offenses, although the particular procedure followed by the magistrate therein was criticized. The court's holding goes no further than defining a magistrate's power, and the weight to be given a magistrate's report by the district court, under 28 U.S.C. § 636(b)(3) (applications for post-trial relief). No mention was made concerning consensual references in civil matters.

In *Rainha* v. *Cassidy*, 454 F.2d 207 (1st Cir. 1972), the district court was criticized for a "pro forma laying on of hands" in approving the magistrate's findings of fact in a habeas proceeding. Again, the court was not faced with a consensual reference to the magistrate in which the parties retained a right to review by the district court. Also in *Reed* v. *Board of Election Commissioners of City of Cambridge*, 459 F.2d 121 (1st Cir. 1972), the court disapproved of a blanket approval by the district court of a magistrate's report on a motion for preliminary injunction without itself having the record before it. Once again, an entirely different issue is presented regarding the consensual reference herein, in that the court presently has before it the entire record that the magistrate had before him, and the magistrate's findings are subject to review by this Court.

RULE 32

United States Magistrates

(a) *Duties in general.* Full-time United States Magistrates of this district or, where there is no full-time magistrate reasonably available, any part-time magistrate specially designated by the court, shall, when directed by the court:

(1) Serve as a special master in appropriate civil actions pursuant to the applicable provisions of Title 28 United States Code and the Federal Rules of Civil Procedure for the United States District Courts; and

(2) Assist the district judges in the conduct of pretrial or discovery proceedings in civil or criminal actions; and

(3) Review applications for post-trial relief made by individuals convicted of criminal offenses, and submit reports and recommendations thereon to facilitate the decision of the district judge having jurisdiction over the case as to whether there should be a hearing; and

(4) Perform such other duties as are not inconsistent with the Constitution and laws of the United States and as may be assigned by the court.

(b) *Powers.* Unless otherwise provided by Fed.R.Civ.P. 53 or other statute or rule, the magistrate shall have authority to conduct the proceedings specified in the order of reference and to make such orders as may be incidental or necessary to the completion thereof, subject to review by the judge as herein provided.

(c) *Filing of report and records.* Upon conclusion of the hearing, the magistrate shall file with the clerk his findings, report and recommendations, a certificate of service thereof upon the parties, and any waiver by the parties of appeal to the judge. He shall separately lodge with the clerk all papers, documents, exhibits and briefs presented during the reference hearings.

(d) *Objections; review.* Any party who has not waived an appeal to the judge may serve and file written objections to the magistrate's report within 5 days after service of the report. Opposition to the objections shall be served and filed within 5 days after service of the objections. The clerk shall thereupon promptly set and notice the review hearing to be disposed of by the judge to whom the case is assigned.

(e) *Submission of proposed order.* Within ten days after disposition of the objections filed pursuant to subparagraph (d) hereof,

counsel shall submit a proposed form of Order in accordance with the court's ruling.

[7] Paragraph 12 of the Standing Order, effective May 7, 1973, provides:

12. DESIGNATION OF MAGISTRATE TO ASSIST DISTRICT JUDGES

Pursuant to the rule making power conferred on the Court by 28 U.S.C. 636, the Court may, without further formal order, from time to time refer civil and criminal motions to the magistrate as it deems proper for hearing, determination, recommendation, or report, and the magistrate shall render such other assistance to a district judge of the Court as may be directed of him by the Court.

The Standing Order was amended on June 4, 1973, adding Paragraph 13.1:

13.1. RECONSIDERATION OF MAGISTRATE'S RULING BY DISTRICT JUDGE

A magistrate's ruling on a motion, not incident to the exercise of his trial jurisdiction, shall be final and conclusive unless a party thereto moves for reconsideration by a district judge. A motion for reconsideration shall be made within five (5) days of the magistrate's ruling. Reconsideration shall not be *de novo* but shall be the same as on an appeal on a question of law.

[8] "Since full-time magistrates under the new system are supposed to spend all their time on their official duties, it is appropriate to allow the district court to make whatever use of their services as it sees fit, in addition to the functions that the statute assigns to them. . . . The use of magistrates for duties that do not require the employment of an Article III judge, *or in cases in which the parties consent to the use of a magistrate,* may do much to increase the efficiency of the Federal Courts." (emphasis added)

Hearings Before the Subcomm. on Improvements in the Judicial Machinery of the Senate Comm. on the Judiciary on S. 3475, 89th Cong., 2d Sess. 14 (1967).

See Comment, "An Adjudicative Role for Federal Magistrates in Civil Cases," 40 U.Chi.L.Rev. 584 (1973).

[9] That the wording of the order of reference may have lacked precision on the question of review by the district court, such "uneasiness with the wording of an order is a flimsy basis on which to mount a constitutional attack." *Yascavage* v. *Weinberger,* — F.Supp. — (No. 72-232 Civil, M.D. Pa., May 15, 1974) slip op. at 11.

[10] The court in *Yascavage* also noted that a Social Security appeal was a particularly appropriate case for reference to a magistrate, in that it is to be decided on an administrative record and thus involves no trial, no introduction of evidence and no witnesses to be heard. All the material before the magistrate was thus equally available to the reviewing judge, who would not be deprived of any opportunity to weigh the credibility of live witnesses. Compare *Wingo* v. *Wedding, supra.*

In the instant case the factual record was equally complete before reference to the magistrate occurred. The majority of applicable evidence was contained in the transcript and exhibits of the trial on Count I of the complaint, held before Judge Edward W. Day in 1966. Additional testimony was set forth in a stipulation filed June 7, 1973. Thus, this Court in reviewing the magistrate's finding has before it the entire record upon which the magistrate made his findings and, in addition, the tape recordings of the argument before the magistrate.

This case, as in *Yascavage*, did not involve the holding of an evidentiary hearing where the resolution of credibility of witnesses may be important. Compare *Rainha* v. *Cassidy, supra* (habeas corpus proceeding referred to magistrate in which Court of Appeals questioned the propriety of a magistrate conducting the evidentiary hearing); *Reed* v. *Board of Election Commissioners of City of Cambridge, supra* (magistrate held evidentiary hearing as to motion for preliminary injunction—district court criticized for approving report of magistrate without having record before it).

[11] Referring specifically to the "additional duties" which may be assigned to the magistrate under section 636(b) of the Federal Magistrates Act, the Senate report accompanying the Act said:

> "If district judges are willing to experiment with the assignment to magistrates of other functions in aid of the business of the courts, your committee believes that there will be increased time available to judges for the careful and unhurried performance of their vital and traditional adjudicatory duties, and consequent benefit to both efficiency and the quality of justice in the Federal Courts." S. Rep. No. 371, 90th Cong. 1st Sess. 26. (hereinafter, "Senate Report")

The remarks of Senator Tydings, Chairman of the Senate Subcommittee on Improvement in Judicial Machinery and major sponsor of the Act are also instructive:

> "The Magistrates Act specifies these three areas [§ 636(b)(1), (2) and (3)] because they came up in our hearings and

> we thought they were areas in which the district courts might be able to benefit from the magistrate's services. We did not limit the courts to the areas mentioned. Nor did we require that they use the magistrates for additional functions at all.
>
> "We hope and think that innovative, imaginative judges who want to clean up their caseload backlog will utilize the U.S. magistrates in these areas and perhaps *even come up with new areas to increase the efficiency of their courts.*" (emphasis added)
>
> Hearings on S. 945 before Subcomm. No. 4 of House Comm. on the Judiciary, 90th Cong., 2d Sess., ser. 17, at 81.

[12] I recognize that dicta in the *TPO* case might arguably blunt the distinctions I have outlined as to the effect of consent of the parties and review by the district judge. 460 F.2d at 360-61, n. 62. As to review by the district court, I am convinced that Congress intended to sanction a wide variety of references to the magistrate so long as review to the district court was insured. See Senate Report, *supra,* at 27. The Second Circuit has explicitly approved the reference of dispositive motions to the magistrate under the Local Rules of the United States District Court for the District of Connecticut which provide for review of the magistrate's "proposed memorandum of decision" by the district judge who may adopt, modify or reject the magistrate's findings in whole or in part. *Remington Arms Company, Inc.* v. *United States,* 461 F.2d 1268 (2d Cir. 1972) (motion for summary judgment); *Givens* v. *W.T. Grant Company,* 457 F.2d 612 (2d Cir. 1972) (motion to dismiss), vacated on other grds 409 U.S. 56 (1972).

As to the effect of consent, the *TPO* court recognized that ". . . consent of all parties would change the situation somewhat, [but] it would introduce other difficulties." 460 F.2d at 361 n. 62. The only "other difficulty" mentioned by the court was the danger of "coerced consents" by parties who would fear inciting the wrath of a district judge by refusing to consent to referral thus intruding upon the judge's time. Such a fear, while at best speculative, evidences an uncanny lack of faith in the integrity of the federal judiciary. Even if an allegation of "coerced consent" were arguable in a particular case, appellate review rather than a broad prohibition against consensual references would appear to be the wiser course. Other courts have recognized that certain matters delegated to magistrates over the objections of a party would be permissible with consent of the parties. See *United States* v. *Eastmount Shipping Corporation,* 62 F.R.D. 437 (S.D.N.Y. 1974).

[13] Rule 53(e)(4), Fed. R.Civ.P., provides in pertinent part:

"The effect of a master's report is the same whether or not the parties have consented to the reference. . . ."

See 5A, J. Moore, *Federal Practice*, paragraph 53.15:

"Any prior case law to the effect that a reference [to a master] with consent compels extraordinary weight to be given to the master's report is no longer in point, whether the case be a jury or non-jury case."

[14] The Magistrates Act 28 U.S.C. § 632 *et seq.* provides, *inter alia*:

(1) that appointment shall be by concurrence of a majority of all judges in the district;

(2) that magistrates must be a member of the bar;

(3) that he not be related by blood or marriage to a judge of the appointing court;

(4) that full-time magistrates not engage in the practice of law and that part-time magistrates so limit their practice so as to avoid conflicts of interests;

(5) fixed term, subject to removal only for incompetency, misconduct, neglect of duty or physical or mental disability;

(6) fixed salary and full-time magistrate's salary cannot be reduced during term;

(7) clerical and secretarial assistance provided by the Government;

(8) training programs at Federal Judicial Center.

[15] "Failure to make timely objection to the appointment of a Master either at the time of the order or promptly thereafter constitutes a waiver of error and objections made only to the Master are unavailing." *First Iowa Hydro Electric Cooperative* v. *Iowa-Illinois Gas and Electric Company, supra,* 245 F.2d at 628.

[16] Defendants cite *Wilver* v. *Fisher,* 387 F.2d 66 (10th Cir. 1967); *Bartlett-Collins Company* v. *Surinam Navigation Company,* 381 F.2d 546 (10th Cir. 1967); and *Cadermartori* v. *Marine Midland Trust Company of New York,* 18 F.R.D. 277 (S.D.N.Y. 1955), for the proposition that consent cannot validate an otherwise wrongful reference to a master under Rule 53. In *Wilver,* the Court was especially concerned with the fact that the consensual reference therein gave to the master extraordinary power to restate the parties'

interrogatories and to recommend the answers thereto. The case stands for the proposition that the delegation of such extraordinary powers, which are properly exercisable only by the parties themselves, cannot be assumed by a master even upon consent of the parties. *Wilver* lends little support to the theory that *any* abuse of discretion in referring to a master upon consent of the parties is *void ab initio.*

In *Bartlett-Collins, supra,* there is dicta which strongly disapproves of references to a master in the absence of exceptional circumstances, even upon consent of the parties. Yet, the fact that the master's report, and subsequent approval and confirmation of that report was affirmed on the merits by the appellate court belies defendant's argument that such a reference is *void ab initio.*

Finally, in *Cademartori, supra,* the parties stipulated that the master should finally determine all issues and enter judgment thus "[placing] the Court in the position of being committed in advance to the decision of the Master already named, without the possibility of any recourse to the evidence upon which the Master may have acted. . . ." 18 F.R.D. at 278-79. The reference herein involved no such stipulation by the parties, and review by the district court, including access to all the evidence and argument heard by the magistrate, has been preserved.

[17] The case law does not support the proposition that an improper reference to a master, with consent of the parties, is a jurisdictional defect, at least insofar as the district court retains the power to review the master's findings before judgment is entered. The weight of authority appears to be that a reference to a master is "a procedural matter to which personal objection should have been made. . . ." *McGraw-Edison Company* v. *Central Transformer Corporation, supra,* 308 F.2d at 72 n. 3; *First Iowa Hydro Electric Cooperative* v. *Iowa-Illinois Gas and Electric Company, supra; Hart* v. *Williams, supra; Smith* v. *Brown, supra.* Indeed, in *Bartlett-Collins Company* v. *Surinam Navigation Company, supra,* cited by the defendants, the appellate court disapproved of the reference despite consent, but affirmed the master's findings on the merits. Certainly if the mistaken reference was a jurisdictional flaw, the only proper disposition by the appellate court would have been to remand for a new trial before the district judge.

A distinction must be made between an attempt to invoke the jurisdiction of the United States courts by consent and, as here, once properly before an Article III tribunal to consent to a hearing before a non-article III judge. Certainly it is no anomaly in our federal judicial system that certain Article III powers be exercised

by non-article III personnel (bankruptcy judges, masters) or non-article III tribunals. See *Palamore* v. *United States,* 411 U.S. 389 (1973). See also *Yascavage* v. *Weinberger, supra;* Comment, 40 U.Chi.L.Rev. 584 (1973).

[18] On April 19, 1974, defendants filed their objection to the magistrate's rescript and plaintiff filed a motion to confirm the magistrate's report. On that date an order was entered by this Court staying all further hearings before the magistrate. Because of the twofold nature of defendants' objection to the magistrate's report, i.e. objection to the reference and to the findings, I will construe their initial objection as both a petition to review the magistrate's findings as well as a motion to vacate *nunc pro tunc* the order of reference dated October 5, 1973. While defendants have filed an additional motion pursuant to Rule 60(b), Fed.R.Civ.P. (filed June 7, 1974), and since the magistrate's findings are not to be construed as a "final" order from which relief under Rule 60(b) can be afforded, I will construe that motion as supplementing the initial objection to the magistrate's findings.

I do not find persuasive plaintiff's contention that defendants' petition for review of the magistrate's findings must fall for lack of specificity. Through extensive memoranda of law this Court, as well as all parties, have been made well aware of the specific findings to which defendants object and the reasoning behind the objections. A technical error of pleading should not deprive defendants of their right to review of the magistrate's findings by this Court. In any event, drawing an analogy to objections to a master's report, this Court has the power "if it be deemed necessary and of vital importance in the interest of substantial justice" to modify the findings even in the absence of specific objections. *In the Matter of Portland Electric Power Co.,* 97 F. Supp. 918 (D. Ore. 1948). See generally 5A J. Moore, *Federal Practice,* paragraph 53.11 at 2991.

On Cross Motions For Summary Judgment
April 15, 1974

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF RHODE ISLAND

Civil Action No. 3130

[SAME TITLE]

HAGOPIAN, *Magistrate.*

STATEMENT OF THE CASE

This case was commenced in this Court in June 1963. The plaintiff's Third Amended Complaint alleges three claims as a basis of recovery; Count I, unjust enrichment; Count II, common law service mark infringement, and, Count III, unfair competition.

Jurisdiction in this case is founded upon the factual allegations of diversity of citizenship and jurisdictional amount, 28 U.S.C. 1332 and upon the factual allegations of a federal question, 15 U.S.C. 1125(a), 1121 and 1127. Count I of the instant complaint, alleging unjust enrichment, was heard and determined by a jury who found in plaintiff's favor and awarded verdicts in the amounts of $100,000; $10,000 and $40,000 against defendants Columbia Broadcasting System, Inc., Capital Cities Broadcasting Corporation, and CBS Films Inc., respectively. On appeal, the Court of Appeals of the Circuit, speaking through Chief Judge Coffin, reversed the judgments rendered against each defendant.[1] The remaining Counts II and III, alleging common law service mark infringement, and unfair competition, respectively, were neither reached nor tried during the trial of the first count. The remaining counts are now before the Court on cross-motions for

summary judgment.[2] The respective legal claims of the parties are in sharp conflict and they are more fully set forth in their legal contentions *infra.*

Each side has moved for judgment in its favor claiming entitlement thereto as a matter of law. Each side represents and agrees that there is no genuine issue as to any material fact concerning either motion. The thrust of plaintiff's claim in Count II of his complaint is that he has a legally protected proprietary interest or a property right, through first and continuous use in commerce, to his entertainment service marks as trade dress in (1) the title, "Have Gun Will Travel," (2) the figure of a knight chess piece, (3) the name "Paladin," and (4) the calling card in words and figures:

and, that the defendants have infringed plaintiff's claimed property rights by wilfully appropriating, using and licensing plaintiff's service dress creation in the protagonist CBS television series.

As to Count III, the gist of plaintiff's claim is that defendants have unfairly competed with the plaintiff by adopting and infringing plaintiff's service marks and trade dress. Plaintiff urges that defendants appropriated and pirated the trade dress of the plaintiff's western character for use by the "Paladin" character in the CBS television series "Have Gun Will Travel." As for their relief, plaintiff seeks an accounting from the defendants, on Counts II and III, of their profits.

PLAINTIFF'S CONTENTIONS

In support of his motion for summary judgment plaintiff, in short, urges:

1. Plaintiff is the owner of the following, which constitute individually and collectively, entertainment service marks of the plaintiff; (1) the title "Have Gun Will Travel," (2) the figure of a knight chess piece, (3) the name "Paladin" and (4) the calling card at page 2, *supra.*

2. As to Count II of his complaint, that the defendants have infringed plaintiff's service marks by using the identical marks in their television series.

3. He need not show that he has ever been in competition with defendants in order to recover upon his claim of service mark infringement.

4. The ruling of the First Circuit Court of Appeals with reference to the First Count and the *Sears* and *Compco* cases are not a bar to recovery by plaintiff for the infringement of his common law service marks.

5. It is no defense to an action for common law service mark infringement that the services were rendered without profit.

6. Plaintiff is entitled to recovery under the Third Count of his Third Amended Complaint, sounding in unfair competition by reason of defendants commercial immorality in copying, simulating and adopting plaintiff's trade dress—the plaintiff having been a prior user and that his marks had achieved a secondary meaning.

7. Plaintiff has not lost his causes of action through laches or equitable estoppel since such a defense is not available to the defendants because

they wilfully and deliberately misappropriated and copied plaintiff's property.

DEFENDANTS' CONTENTIONS

In summary defendants, CBS, in support of their cross-motion for summary judgment in their favor, urge:

1. "... it has been finally determined that plaintiff has never utilized the contested "Paladin" marks to advertise, or as an appurtenance to the commercial sale of hire of the goods or services of an established business of his ownership, plaintiff, as a matter of law, does not possess a protectible property right in said marks under the common law of trademarks."

2. "The final judgment of the trademark trial and appeal board in favor of CBS is *res adjudicata* as to the ultimate issues underlying Counts II and III of the instant amended complaint; the first commercial use and ownership of the contested "Paladin" indicia as service marks."

3. "The claims set forth in Counts II and III of the amended complaint are equitably estopped by plaintiff's gross laches in bringing this action six years after the commencement of CBS' alleged infringing use of the contested "Paladin" symbols."

4. "The claims of common law trademark infringement and unfair competition set forth in Counts II and III of the amended complaint are precluded as a matter of law by the constitutional doctrine of federal preemption enunciated in the Supreme Court's *Sears-Compco* and progeny decisions."

5. "Plaintiff's motion for summary judgment must be denied because the evidence does not establish, as a matter of law that:

(a) plaintiff has appropriated and commercially used the contested marks in connection with the services for hire of a going business or trade operated for profit;

(b) the contested marks have acquired a "secondary meaning"; i.e., that they identify to the purchasing public the origin of plaintiff's alleged services;

(c) the use of the contested marks by defendants is likely to cause consumer confusion; i.e., that plaintiff's prospective "trade" would be diverted to defendant by reason of the alleged infringing use of the marks."

I find by an independent examination of the pleadings, by judicial notice of the record and papers in this case, by the stipulated transcript of the trial had on Count I, by the depositions, answers to interrogatories, additional stipulations, and admissions on file together with affidavits that the facts, which underlie plaintiff's claims and the respective motions, are to be without substantial controversy.[3] Accordingly, the undisputed facts of the case without slightest doubt, and I so find them to be, are these:

FINDINGS OF FACT

1. The plaintiff, Victor DeCosta, of Portuguese parents, is a Rhode Island mechanic whose formal education ceased after the fourth grade. During the Depression he tired of factory work, hopped a freight for the West, worked in a Chicago stockyard and eventually became a ranch-hand on a Texas ranch. While working the Texas

ranch, he engaged in a number of usual "cowboy" activities.

2. After a few years of riding and roping, plaintiff returned to Rhode Island to work as a mechanic and later received training in the Coast Guard as a motor mechanic.

3. Around 1940 he began to attend horse auctions and around 1945 he began competing in horse shows which contained western parades and feats.

4. Between the years 1946-1947 plaintiff participated in horse shows and parades and from the beginning he used a particular costume or dress in his appearances. He already was equipped with a moustache, and he soon settled on a black shirt, black pants, and a flat-crowned black hat, and he acquired a St. Mary's medal at a parade and had affixed it to his hat. Plaintiff, in the later part of 1946, adopted the name "Paladin" after an onlooker of Italian descent during one of his appearances hurled an epithet at him containing the word "Paladino", and upon looking up the word "Paladin" in a dictionary, he found it meant "champion of knights" and was content that people began so to call him.

5. One day when plaintiff had donned his costume in preparation for a horse show, and was about to mount his horse, one of a group waiting for him shouted "Have Gun Will Travel" and he thereafter adopted this slogan by rubber stamping it on a business card, on which also appeared "Wire Paladin, N. Court St., Cranston, R. I." and the figure of a knight chess piece. He completed his costume dress by applying a silver copy of a chessknight to his holster and by strapping an antique derringer under his arm.

6. Plaintiff, so accoutered, appeared in numerous parades, rodeos, auctions, horse shows and other public

gatherings throughout the New England area and New York and at a pony ring he once operated.

7. In addition to the mentioned appearances, plaintiff made numerous appearances in charity shows and at drive-in theaters.

8. From time to time, in his various appearances, he would stage a western gunfight, featuring his quick-draw and the timely use of his hidden derringer. During his appearances, plaintiff would pass out photographs of himself and would distribute his cards which he had reduced to printed form. Plaintiff distributed his calling cards, some 250,000 of them at hospitals, drug stores, barbershops, sport shops and diners, as well as at his other appearances, and children clamored for the cards and clustered about him to the extent that he was likened to the Pied Piper and Gene Autry.

9. Approximately ten years after plaintiff had created, adopted and used the "Paladin" character with the various marks thereof, and had begun to live his avocational role of "Paladin", the defendants Columbia Broadcasting System[4] introduced a television series entitled "Have Gun Will Travel" starring moustachioed Richard Boone, who played the part of an elegant knight errant of the Old West.

10. The television "Paladin" also wore a black costume, a flat-crowned black hat bearing an oval silver decoration, and a silver chess knight of his holster and announced himself with a card featuring a chess piece virtually—if not absolutely—identical with the plaintiff's and having the words "Have Gun Will Travel, Wire Paladin, San Francisco" printed thereon, and in addition the television "Paladin" used a hidden derringer strapped to his arm.

11. The CBS television series appeared in 225 first-run episodes in the United States, was licensed in foreign countries and by the time of trial had grossed in excess of $14,000,000.

12. The marks "Have Gun Will Travel", "Wire Paladin", and the figure of the knight chess piece as they appear on plaintiff's business card were created by plaintiff for use with his "Paladin" character.

13. My examination of the record and comparison of the description and exhibits of the "Paladin" marks heretofore mentioned discloses that the marks used by plaintiff DeCosta are identical to those subsequently used by defendants Columbia Broadcasting System, Inc. in the television series of "Paladin", and that a great likelihood of confusion exists between the marks used by plaintiff and those used by defendants because they are virtually identical.

14. The employees of CBS responsible for creating the television series "Have Gun Will Travel" deliberately appropriated the costuming of the plaintiff for the lead character in their television show and also deliberately appropriated in almost exact detail the calling card of plaintiff for use by the television "Paladin".

15. The television version of "Paladin" was essentially a copy of plaintiff's character dress and the accessories created by plaintiff, including a St. Mary's medal affixed to his flat-crowned hat, and the knight chess piece mounted on his holster were appropriated by the creators of the television series for use by the TV character.

16. The plaintiff used his marks in connection with his appearances at his pony ring where children were charged for rides, and at rodeos with a paid attendance, although

a number of his other appearances were for known charities.

17. At least 21 witnesses testified that before the airing of the television series by defendant, Columbia Broadcasting System, Inc., they knew plaintiff as Paladin; at least 18 of such witnesses testified that, before the airing of the television series as aforesaid, they saw cards as passed out by plaintiff that bore the slogan and/or purported service marks "Have Gun Will Travel" "Wire Paladin" and the figure of a knight chess piece; that at least 21 of such witnesses testified that they thought on viewing the television program that there was a physical similarity between plaintiff in his costume and accoutrements and Richard Boone dressed as the television character Paladin.[5]

18. At least 6 of such witnesses testified that they had at first thought, on viewing the television program, that Richard Boone was the plaintiff Mr. DeCosta until they learned the contrary from viewing the credits on the show, or otherwise.

19. The character of "Paladin" was prominently identified as being portrayed by the actor, Richard Boone, in each and every episode of defendants' television series.

20. The plaintiff has received communications from various parts of the country directed to him as "Paladin."

21. Plaintiff DeCosta was an entertainer, horse trader and dealer for a period of ten years before the television showings of the CBS Paladin series. He commercially held himself out to be "Paladin", a character of his intellectual creation, and he commercially used the accoutrements heretofore described as his entertainement service marks in connection with the "Paladin" character.

22. The plaintiff was the first to create, adopt and use the mentioned "Paladin" marks; that such marks there-

after were continuously used by the plaintiff; that the marks have never been abandoned by him; that they were continuously used by the plaintiff in interstate commerce; and that the marks were first associated with the plaintiff and so used by him in the advertisement of his services as an entertainer and performer.

23. The plaintiff commercially used, in the manner I have heretofore found, the mentioned marks in commerce to distinctly identify and advertise his services as an entertainer.

24. The plaintiff is the owner of the "Paladin" service marks mentioned in the foregoing findings.

25. Plaintiff is the owner of certificates of trademark registration for the "Paladin" service marks issued by the State of Connecticut, 28 July 1970; by the State of Massachusetts in October 14, 1963 and by the State of Rhode Island on 8 December 1960.

26. The television series "Have Gun Will Travel" has been shown throughout the country thus virtually every state has some factual contact with the instant controversy.

27. Rhode Island is the forum state and the state of residence of the plaintiff, Victor DeCosta.

28. Each of the defendants to this action are New York corporations and have their principal places of business in New York.

29. Defendant Columbia Broadcasting System, Inc., received all monies for the presentation of their television series "Have Gun Will Travel" in New York.

30. The defendants distributed and licensed the "Paladin" marks from New York. Fourteen of the thirty

licensees of the various Paladin marks were New York corporations.

31. All contracts entered into by Columbia Broadcasting System for the reproductions of the Paladin character and articles utilized by the character including his hat, medallions, calling cards, guns, wearing apparel and the like were made in New York. These mentioned reproductions were circulated, distributed, offered for sale and published in New York.

32. The factual contacts in the instant case are overwhelming centered in New York.

CONSTITUTIONAL DOCTRINE AND FEDERAL PREEMPTION

Since the respective contentions of the parties speak to the effect of United States Supreme Court decisions of *Sears,*[6] *Compco*[7] and the progeny decision of the Court of Appeals[8] on the instant claims in Count II and III, that threshold issue is reached first. The respective arguments of counsel as to that issue are distilled to be these.

Defendants CBS urge that the *Sears-Compco* decisions and the decision of the Court of Appeals on Count I in the instant complaint, absolutely precludes recovery under Counts II and III of the amended complaint. Defendants further say that under the Court of Appeals decision[9] "all that defendants could be charged with was copying the *simpliciter* of plaintiff's marks at a time the marks were in the public domain and that they, the defendants, had a lawful right to freely copy the *simpliciter* of plaintiff's marks[10] since the plaintiff was not using them in a going business."

Plaintiff urges that the decisions of *Sears-Compco* and the decision of the First Circuit Court of Appeals on Count I of the instant complaint[11] are not preemptive so as to bar recovery on the instant claims of common law service mark infringement and unfair competition.

I find that the Court of Appeals decision on the first count of plaintiff's complaint does not constitutionally or statutorily preempt his claims in Counts II and III. The question tried in Count I, on which appellate review was had, was a limited one and is unlike the questions, in law or in fact, now before the Court on motions for summary judgment. There, in Count I the question was whether judgment in plaintiff's favor could be "supported on a rule of law that would allow recovery upon proof of creation by plaintiff and copying by the defendants [of the "Paladin" marks], *and nothing else.*" (emphasis added) *DeCosta* v. *C.B.S. et al.,* Note 1. Here in Counts II and III the plaintiff supplants the "nothing else" by presenting two theories of recovery, requiring additional elements of proof, on which trial and judgment was reserved and on which appellate review has never been had in this Circuit.[12] The question litigated in Count I and decided by the Circuit Court of Appeals dealt with the patent and copyright laws declaratory of Article I, § 8, cl. 8 of the Constitution. There, the Court of Appeals ruled that the "Paladin" calling cards were copyrightable and not having been copyrighted, protection for the cards and his "Paladin" character was destroyed by publication under the law of copyright.

I cannot accept defendants' argument that the long reach of the Supreme Court's decisions in *Sears-Compco* and this Circuit's decision on Count I preclude recovery ". . . as a matter of law by the constitutional doctrine of preemption." Nothing in the Circuit Court's decision on Count I nor in the *Sears-Compco* decisions speak, even by way of dictum, to the preemption of either trademark or service mark theories of recovery. I do not view this Circuit's decision on Count I or the decisions in *Sears-Compco* as extinguishing all proprietary interest that might be had in the "Paladin" marks, since I do not view the laws of copyrights, patents and service marks to be mutually exclusive as applied to this case.[13] I am mind-

ful of the language of the Supreme Court in *Sears-Compco* which limited the states from protecting certain intellectual property. There, speaking for the Court Mr. Justice Black said:

> "[W]hen an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. 1, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain."

In amplification of *Sears-Compco, supra,* the Court of Appeals on Count I, said:

> "More fully, that policy is to encourage intellectual creation by offering the creator a monopoly in return for the disclosure and eventual surrender of his creation to the public . . . Thus, if a writing is within the scope of the constitutional clause, and Congress has not protected it, whether deliberately or by unexplained omission, it can be freely copied." See *Cheney Bros.* v. *Doris Silk Corp.,* 2 Cir., 1929, 35 F. 2d. 279.[14]

To give effect to defendants' contention of absolute preemption as to plaintiff's remaining claims, which I do not and cannot do, would render in an absolute way the service mark and unfair competition laws of the various states and the federal policy in 15 U.S.C. 1125 and 1127 a complete nullity. Concurrent federal and state protections of trademarks and service marks have existed, separate and apart from federal patent and copyright laws for 93 years.[15] The broad sweep of defendants' invocation of decisions declaratory of the patent and copyright laws as preemptive of plaintiff's common law claims of service mark infringement and unfair competition ob-

scures the nature of plaintiff's claims. Defendants' in argument miss the mark. Even given defendants' arguments, the Supreme Court in its recent decision in *Goldstein* v. *California,* 412 U.S. 546 (1973), recognized and held that the right to grant copyright protection is not exclusively vested in the federal government—the states being free to provide their own form of protection for intellectual property not expressly provided for by federal laws. The Supreme Court in *Goldstein* v. *California, supra,* rejected the absolute federal preemptive effect defendants ask me to give by reason of *Sears-Compco.* In *Goldstein, supra,* the Supreme Court speaking in a 5 to 4 decision involving a California penal statute which forbade tape piracy—buying a popular recording or tape and then re-recording it in multiple copies to sell to the public—distinguished their decisions in *Sears-Compco* and limited the latter decisions to the copying of "mechanical configurations." In *Goldstein, supra,* the Court defined writings within Article I, Section 8, Clause 8 of the constitution to include . . . "any physical rendering of the fruits of creative intellectual or aesthetic endeavor." Given this definition of "writings", the Supreme Court said:

> "As we have seen, the language of the Constitution neither explicitly precludes the States from granting copyrights nor grants such authority exclusively to the Federal Government. The subject matter to which the copyright clause is addressed may at time be of purely local concern. No conflict will necessarily arise from a lack of uniform state regulation nor will the interest of one State be significantly prejudiced by the actions of another. No reason exists why Congress must take affirmative action either to authorize protection of all categories of writings or to free them from all restraint. *We therefore conclude that under the Constitution, the States have not relinquished all power to grant*

> *to authors* the exclusive Right to their respective Writings." Id. at 560.

I view the effect of the Supreme Court's decision in *Goldstein* as giving to the states a broad mandate to protect intellectual property heretofore denied by strict constructions of *Sears-Compco.* Relevant here is that *Goldstein, supra,* reinforces and is in harmony with Mr. Justice Black's language in *Sears*:

> "Doubtless a state may, in appropriate circumstances, require that goods whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source, just as it may protect businesses in the use of their trademarks, labels or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of such goods." *Sears, Roebuck & Co.* v. *Stiffel Co.* Note 7.

Thus, I find that the defendants' arguments or preemption based on the *Sears-Compco,* constitutional or copyright considerations, lack vitality as a matter of law. Significant here is that the law of service mark or trademarks are vastly distinguishable from the law of patents and copyrights.[16] Here, the plaintiff's claims are founded on the former and the thrust of defendants' preemptive argument speaks to the latter. Even if defendants' contention were to be viewed as relevant to plaintiff's claims, although I find that they are not, *Goldstein, supra,* teaches that Congress in 17 U.S.C. § 4 cannot preempt all state regulation over all intellectual property to which the term "writings" might apply. The Court in *Goldstein* held that a state was not precluded from providing protection for a "writing" . . . unless Congress determines that the national interest requires federal protection or

freedom from restraint as to a particular category of "writings." Apart from the law of copyrights and patents, here plaintiff seeks to protect his trade dress consisting of his several service marks and I find, given the reasons I have stated, that his service mark and unfair competition claims are beyond the pale of *Sears-Compco,* patent and copyright considerations. Accordingly, I find defendants' arguments of preemption to be without merit.

DEFENDANTS CONTENTIONS 1, 2 AND 3, *supra,* AT PAGE 5.

1. The first argument urged by defendants Columbia Broadcasting System in support of their cross-motions for summary judgment is that the undisputed facts now before me, "[have] been finally determined" by the Court of Appeals and as a consequence plaintiff may not recover as a matter of law under the common law of "trademarks." This argument, goes on to urge . . . "the First Circuit Court of Appeals found the following facts which now constitute the law of the case and are thus determinative of the issues of liability under Counts II and III . . . 'This was perhaps one of the purest promotions ever staged, *for plaintiff did not seek anything but the entertainment of others. He sold no product, services or institution,* charged no fees, and exploited only himself.' " P. 7 Defendants' memorandum dated September 4, 1973. Given the expressions of fact used by the Court of Appeals in their decision on Count I, it is clear from the language of entire decision that the operative facts there were, in scope and recital, limited to the legal issue in Count I. As defendants recognize, Counts II and III extend to separate and distinct legal theories of recovery. Plaintiff's and defendants' motions go beyond the matters litigated in Count I and consequently call for the interplay of additional facts, which I have found to be undisputed, in support of their respective theories. Here, the purpose of the motions for

summary judgments is not to freeze or to resolve factual issues but to determine whether there are factual issues. As I mentioned at page 7, *supra,* and at note 12, *supra,* the undisputed facts relevant to Counts II and III have been recognized by each side, throughout the pendancy of the respective motions, as transcending those facts found by jury in Count I. Here I have used a variety of methods to determine all undisputed facts material to the respective motions,[17] and I go beyond those facts, as I must, found by jury on Count I and articulated by the Court of Appeals. Accordingly, this contention of defendants, CBS, is without merit.

2. The defendants' second argument that "the final judgment of the Trademark Trial of Appeal Board in favor of CBS in *res adjudicata* as to the ultimate issues underlying Counts II and III" is not available to the defendants as a defense to plaintiff's claims. That argument and issue was decided against the defendants on their motions for leave to amend their answer to plaintiff's third amended complaint. A memorandum opinion was filed in that regard, *sub judice,* during the pendency of the instant motions on January 7, 1974.

3. CBS in their third argument assert that plaintiff's claims in Counts II and III are equitably estopped by plaintiff's gross laches in bringing this action six years after the commencement of CBS' alleged infringement of plaintiff's marks.

The undisputed facts of this record shout that piracy has been commited by defendants. The stipulated transcript, the instant findings of fact, *supra,* the findings by the jury on Count I and the First Circuit's decision that defendants intentionally misappropriated and copied the property of the plaintiff, Mr. DeCosta, establishes beyond a slightest doubt that defendants are "pirates." Since defendants are deliberate infringers, they cannot assert the

defense of estoppel by laches.[18] Apart from the non-availability of the defense, there is a sufficient showing of wrongdoing on the part of defendants, a likelihood of recovery by plaintiff on claims not otherwise barred and the exercise of due diligence on Mr. DeCosta's part in attempting to pursue his rights against the defendants in which he encountered difficulty in securing proper counsel,[19] impels me to reject the defense of equitable estoppel. I so find.

The remaining arguments of defendants are reached, *infra*.

Conflict of Law and Choice of Law

Plaintiff's claim must be measured, in this diversity action by Rhode Island law or by Rhode Island's choice of law rules. Here, a federal court is governed by the conflict of law rules of the state in which it sits[20] and is bound to apply the applicable state law as the state court has declared it.[21]

Although the *Erie* doctrine, note 20, teaches that, in a case as here, there is no federal common law, I see no impediment to state courts in fashioning a rule of state law which adopts the reasoning of and looks to federal law for guidance, as here, in a given area.

In *Gravina* v. *Brunswick Corporation*,[22] note 20, Chief Judge Pettine in applying the Rhode Island choice of law rule, said:

> ". . . Rhode Island choice of law principles were revised and redefined in the 1968 case of *Woodward* v. *Stewart*, 104 R.I. 290, 243 A. 2d. 917. This court, commenting on the *Woodward* case in *Tiernan* v. *Westext Transport, Inc.*, 295 F. Supp. 1256 (1969), stated: 'The importance of *Woodward* is . . . its adoption of a defined but flexible methodology of choice of laws. As this court perceives that methodology, it requires a four-step analysis: (1) what factual contacts are there with the states whose laws are alleged to conflict; (2) what is the nature of the conflict between the laws of those states whose contacts are minimally sufficient constitutionally to allow application of their laws; (3) what are the interests to be considered in choosing the applicable law; (4) weighing those interests what law should be applied.' At p. 1262 . . ."

I proceed to apply to the instant motions the choice of law rule applied in *Gravina*.

Step One: Like *Gravina*, virtually every state in the United States has some factual contact with the controversy, since "Have Gun Will Travel" was televised across the country. Rhode Island, like *Gravina*, is both the forum state and the state of residence of the plaintiff, Victor DeCosta. Here, each of the defendants in this case are New York corporations having their principle places of business in New York.

More compelling than in *Gravina*, here there is an unusual gravity of contact in the Paladin case with the State of New York as shown by the undisputed facts. See findings of fact, *supra*. All monies for the presentation of the "Have Gun Will Travel" show were received by Capital Cities Broadcasting Corporation from Columbia Broadcasting System, Inc. . . . this would necessarily transpire in New York, since both were New York corporations with their headquarters in New York. In addition thereto, all distribution and licensing of the "Paladin" marks was made through New York. Although both Herb Meadow and Sam Rolfe, who allegedly created the "Paladin" character were from California, they stated that they never visited New England, but only visited New York in the ten year period prior to September of 1957. Fourteen out of the thirty licensees of the various "Paladin" marks were New York corporations. Further,

all contracts entered into by CBS for the making of reproductions of the "Paladin" character or any articles utilized by the character, including his hat, medallions, calling cards, guns, wearing apparel and the like were made in New York. All reproductions of the "Paladin" character or any articles used by and/or associated with the character were circulated, distributed, offered for sale and published in New York. The contacts with New York are dominant in relation to contacts had in Rhode Island or any other state. The contacts with Rhode Island are more prominent than those had with any other state except New York.

Step Two. Here, guided by *Gravina,* I look to the nature of the conflict between the laws of those states whose contacts are minimally sufficient constitutionally to allow application of their laws.

The laws of New York pertaining to service marks and unfair competition [23] like the holdings under 15 U.S.C.A. 1125 and 1127 represents modern and uniform rules.[24] In *Dior* v. *Milton,* 155 N.Y.S. 2d. 443, 445 (1956) the Court stated:

> "The modern view as to the law of unfair competition does not rest solely on the ground of *direct competitive injury,* but on the broader principle that property rights of commercial value are to be and will be protected from any form of commercial invasion or infringement and from any form of commercial immorality, and a Court of Equity will penetrate and restrain every guise resorted to by the wrongdoer." (emphasis added.)

The nature of the conflict is that New York law has been fully developed to recognize and protect common law service mark property rights and misappropriation of them as an actionable tort even though the parties are not directly competing and plaintiff does not show actual "palming off" or "passing off" on part of an appropriator. On the

other hand, the Rhode Island decisional law has not fully developed to protect the broader forms of unfair competition as articulated in the precise claims here. Rhode Island policy and law does not provide sufficient guidance as to the precise questions of law which underlie plaintiff's claims.[25]

Step Three. The criteria set forth in the *Gravina* case, step 3 requires consideration of the interests involved in chosing the applicable law. Those interests as considered in the *Woodward* case include:

> (1) *Predictability of results.* Here, unlike *Gravina,* the predictability of results with reference to the case at bar is of consequence. I take the predictability factor to call for the predictability of Rhode Island law and New York law as to the precise questions before me. Consequently, I consider two propositions. First, I find that Rhode Island law concerning misappropriation and unfair competition involving service mark claims, as here, is vague and it has not been fully developed. Second, New York law is certain and has been fully developed as to these questions. Thus, the predictability factor points to the application of New York law.
>
> (2) *Maintenance of Interstate Order.* Here, like the application of this factor in *Gravina,* New York public policy has a strong public interest which prevents its corporations from practicing the very morally offensive and tortious conduct complained of here on non-residents as well as residents especially when the conduct takes place mostly in New York. Of course, New York's primary interest is to protect its own citizens against acts of piracy and unfair competition but its interest in according this protection is not to the exclusion of extending protection to non-residents. Certainly New York has

an interest in proscribing acts of its corporations. Thus, this interest factor also points to the application of New York law.

(3) *Simplification of the Judicial Task.* Unlike *Gravina,* here the applicable laws are extremely complex. The New York laws protecting misappropriation of service mark property, and unfair competition by reason thereof, are flexible uniform and fully developed. The laws of Rhode Island in this regard are vague and undeveloped. Resort to New York law would greatly simplify the judicial task of resolving the issues before the Court.

(4) *Advancement of the Forum's Governmental Interest.* There does not appear to be any strong Rhose Island policy against granting relief for the piracy which is demonstrated in this record. The Rhode Island law is obscure and, at best, undeveloped in this regard. As in the *Gravina* case, I cannot assume that it is in the interest of the State of Rhode Island not to protect its residents from the commercial immorality or inequitable behavior of foreign corporations. To the contrary, the Rhode Island government would be best served by according predictable, clear and complete protection to its residents under such circumstances. This interest points to the applicability of New York law.

(5) *Application of the Better Rule of Law.* The New York cases are cited extensively throughout the United States and represent the increasing trend in the country to punish commercial unfairness, and so-called "misappropriation." New York cases to this effect which have been cited by other jurisdictions are in Note 23. I view the New York rule in this regard to be the better rule of law.

Step Four. In considering all of the foregoing interests mentioned in Steps 1, 2 and 3, *supra,* I conclude, as I must,

that Rhode Island law would look to the law of New York as controlling in the issues now before me. I have analized and weighed the foregoing mentioned interests and find that New York law is the better rule to be used as a dispositive standard with respect to Counts II and III.

New York policy and New York law rightfully controls the commercial morality of its own corporations and the behavior of its own residents. The application by Rhode Island of New York law which proscribes certain conduct of its own residents does no violence to the residents of Rhode Island particularly where, as here, applicable Rhode Island policy and Rhode Island law does not speak directly to the legal issues of misappropriation and unfair competition of entertainment service mark property claims. The television entertainment industry, which touches every state in the nation, is dominantly centered in New York. The defendants' C. B. S. are residents of that state with their principle offices located there and the contacts in this case are overwhelmingly and dominantly with New York.

Thus, the New York policy and law, as to the issues here, is declaratory of a strong public interest. Comparatively, here the Rhode Island interest in this regard is weak, vague and uncertain. In weighing all applicable interests and for the reason I have mentioned, I apply New York law as to the merits of plaintiff's claims and as to defendants objections thereto.

Conclusions of Law

For the reasons I have heretofore stated I have applied New York law and make the following findings. Additionally. I find that application of federal law 15 U.S.C. 1121, 1125 and 1127 would lead to the same conclusion and result. Thus, the instant conclusions of law are common to the law of the forum and to the mentioned federal law.

1. The plaintiff created and is the owner of the service marks "Have Gun Will Travel," "Wire Paladin" and the figure of a knight chess piece as applied to entertainment services.

2. The plaintiff acquired common law rights in his service marks by use thereof in interstate commerce through distribution of his calling cards containing such service marks, by various appearances under the billing of "Paladin," "Have Gun Will Travel," and use of the knight chess piece as a part of his costume.

3. Secondary meaning, although unnecessary to recovery based upon service mark infringement, has attached to plaintiff's service marks through extended use thereof after their adoption by plaintiff and by association of the marks with plaintiff.

4. Plaintiff has continually used said service marks and has never abandoned them.

5. The extended continuous use of his service marks by plaintiff has created a property right therein, and the services as performed by plaintiff at various public and private functions is sufficient to maintain the property right in the service marks, even though some of the appearances made by plaintiff were gratuitous.

6. Defendants have infringed the common law service marks of plaintiff by use thereof without authority on the television series "Have Gun Will Travel" and by other uses, without authority, associated with said series, including without limitation the licensing of said marks.

7. Defendants have unfairly competed, in interstate commerce, by falsely advertising, describing and represeting the distinguishing characteristics of plaintiff's service dress and service marks to be their own. Defendants have also unfairly competed with plaintiff by appropriating, using and pirating the trade dress of plaintiff for use by the "Paladin" character in the television series "Have Gun Will Travel." See Notes 16 and 24.

8. Defendants have unfairly competed and infringed the service marks of plaintiff even though the plaintiff has never been in direct competition with defendants.

9. Service marks by definition do not come under the scope of the copyright laws.

10. The plaintiff's service marks "Have Gun Will Travel," "Wire Paladin" and the figure of a knight chess piece are protectable, although unregistered, under the trademark and service mark laws, United States Code, Title 15 Section 1125(a) and 1127, against defendants' unfair competition with plaintiff in interstate commerce. Note 16 and 24.

11. *Sears* v. *Stiffel*, and *Compco* v. *Day-Brite*, Notes 6 and 7, do not apply to service marks and do not impose a bar to recovery by plaintiff for infringement of his common law service marks by defendants.

12. The use of the title "Have Gun Will Travel" by defendants in the television series is an infringement of plaintiff's common law service mark "Have Gun Will Travel" as used by plaintiff for entertainment services.

13. The use of the name "Paladin" by defendants in the television series "Have Gun Will Travel" constitutes an infringement of plaintiff's common law service mark as used by plaintiff to identify himself in his western role or character.

14. The use of the knight chess piece by defendant in the television series "Have Gun Will Travel" is an infringement of plaintiff's common law service mark as used by plaintiff in his western role or character.

15. The trade dress as created by plaintiff for his western character and which includes the black costume, a flat-crowned black hat bearing an oval silver decoration, a silver chess knight on his gun holster and a derringer strapped under his arm is protectable against the use of an identical trade dress by defendants' central character in the television series "Have Gun Will Travel."

16. Defendants have unfairly competed with plaintiff by appropriating the trade dress of plaintiff's western character for use by the central character in the television series "Have Gun Will Travel."

17. Plaintiff is not estopped through laches in order to recover for the infringing activities of defendants.

18. The inequitable conduct of defendants in wilfully appropriating and pirating plaintiff's trade dress and service marks for use in the television series "Have Gun Will Travel", acts as a bar to defendants from asserting the affirmative defense of laches or estoppel.

Conclusion

Accordingly:

1. The defendants are not entitled to recover as a matter of law on their cross-motion for summary judgment and the same is Denied.

2. The plaintiff is entitled to recover on Counts II and III as a matter of law on his motion for summary judgment and the same is Granted.

3. In weighing the equities of and in light of the defendants egregious conduct, plaintiff is entitled as a matter of law to an accounting of all profits acquired by defendants CBS through all uses of plaintiff's service marks in defendants' television series "Have Gun Will Travel," to include the uses of plaintiff's marks by reason of licensing them. Here, defendants CBS, the wrongdoers, are required to hand over the proceeds of their wrong to the plaintiff by reason of their unjust enrichment.[26]

4. Within (5) days, of the filing and service of this decision, the attorneys for each side shall meet with the magistrate to settle the drafting of an appropriate judgment order to be entered in this case.

Footnotes

[1] *Columbia Broadcasting System, Inc., et al.* v. *Victor DeCosta,* 377 F. 2d. 315 (May 11, 1967) *cert. dn.* 385 U.S. 1007 (1968). The question before the Circuit Court was whether the judgments in plaintiff's favor on Count I of his complaint could be "supported on a rule of law that would allow recovery upon proof of creation of the plaintiff and copying by the defendants [of the "Paladin" marks], and nothing else." Id.

[2] Pursuant to 28 U.S.C. 636, and the stipulation of consent for a hearing and determination of the case by a magistrate entered into by the parties and the attorneys for each side, the above captioned case was referred to me by Chief Judge Raymond J. Pettine. Defendants' alternative "Motion for Judgment" is treated as a motion for summary judgment. Plaintiff's motion was properly denominated as one for summary judgment and is, of course, so treated. Since this case is before a magistrate by expressed stipulation of the parties and their attorneys, and by special designation, findings of fact are specially made and conclusions of law are separately stated. Cf. Rule 56 but see Rule 52(a) FRCP.

[3] Rule 56 FRCP.

[4] The defendants, Columbia Broadcasting System, Inc., Capital Cities Broadcasting Corporation, and CBS Films, Inc., for purposes of simplicity are referred to as Columbia Broadcasting System or CBS.

[5] On hearing and in oral arguments had on the instant motions on November 12, 1973, counsel for each side orally stipulated that their written stipulation of expected testimony of the witnesses filed herein on June 7, 1974 could be treated as stipulations of fact. Thus, the mentioned stipulated matter is treated as fact as to findings numbered 17 through 20 herein. The parties stipulated on August 6, 1973 that the remaining counts are to be determined by the Court based upon the entire record of the case to date.

[6] *Sears Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225 (1964).

[7] *Compco Corp.* v. *Day-Brite Lighting Inc.*, 376 U.S. 234 (1964), *reh's dn.*, 376 U.S. 373, 377 U.S. 913 (1964).

[8] Note 1, *supra.*

[9] Ibid.

[10] Citing *Nancy Sinatra* v. *Goodyear Tire and Rubber Co.*, 435 F. 2d. 711, 9*th* Cir., (1970). *Shirley Booth* v. *Colgate-Palmolive Co. and Ted Bates & Co., Inc.*, 362 F. Supp. 343 (SDNY 1973).

[11] Notes 6, 7 and 8, *supra.*

[12] In Counts II and III plaintiff does not rely upon a rule which would allow recovery simply upon proof of creation by plaintiff and copying by defendants. Rather, he seeks recovery on a common law theory of first use of the creation in interstate commerce and subsequent infringement by the defendants of his service marks or trade dress. Accordingly, CBS' first argument in support of their cross-motion for summary judgment, page 5, *supra,* urging that the facts before me on motions for summary judgment have been "finally determined," have been decisively limited by the Circuit Courts decision to those tried on Count I.

[13] The Circuit Courts' decision in Count I on the record before it was limited to a question of copyright law. The *Sears* and *Compco* decisions dealt with design patents and "mechanical configurations", and by dictum copyrights. None of these decisions spoke to the questions of service mark protections now before the Court.

[14] DeCosta v. C.B.S. et al., Note 1, *supra,* at 315.

[15] *Trade-Mark Cases,* 100 U.S. 550 (1879). In this case, the Supreme Court struck down as unconstitutional an 1870 act of Congress which sought to establish federal trademarks regulation without requiring prior use. The statute in question sought to relate trademark rights to the patent and copyright laws. Since then, federal jurisdiction over trademarks has been limited. *Hanover Star Milling Company* v. *Metcalfe,* 240 U.S. 403 416 (1916); Section 45 Trademark Act, 1946, as amended (15 USC 1051 et cet.).

[16] See *Morgan David Wine Corp.*, 328 F. 2d. 925, (C.C.P.A., 1964); *Sampson Cordage Works* v. *Puritan Cordage Mills,* 243 F. Supp. 1, (1964); *Colgate-Palmolive Co.* v. *North American Chemical Corp.,* 238 F. Supp. 81 (1964); *Edgar Rice Burroughs, Inc.* v. *Charlton Publications, Inc.,* 243 F. Supp. 731 (1965); *Columbia Broadcasting System, Inc.* v. *Documentaries Unlimited, Inc.,* 248 N.Y. S. 2d. (1964); *Grove Press, Inc.* v. *Collector's Publication, Inc.,* 264 F. Supp. 603 (1967).

For a discussion of interrelationships of patent, trademark and copyright laws, see Schulman, Patents, Trademarks and Copyrights: An Informal Comparative Analysis, 10 NYL Forum, 174 (1964). See also a chart simplification of the relationships between Patents, Trademarks and Copyrights in McCarthy, *Trademarks and Unfair Competition,* Vol. 1 (1973). In *Robert Stigwood Group Ltd.* v. *Sperber,* 457 F. 2d. 50, 2d. Cir. (1972); the Court recognized that *Sears-Compco* neither governed nor affected service mark rights. The Court said:

> "Sperber argues that there can be no copyright in titles and for the first time on appeal, claims that no protection can be afforded on any other theory because the Supreme Court Decision in *Sears Roebuck and Co.* v. *Stiffel Co.,* 376 U.S. 225, 140 U.S.P.Q. 524 (1964) and *Compco Corp. v. Day-Brite Lighting Inc.,* 376 U.S. 234, 140 U.S.P.Q. 528 (1964). We disagree. *Sears* and *Compco* prevent protection outside of the copyright laws, of works which Congress could have protected but chose not to. It may be that titles are not 'writings' in the constitutional sense and thus cannot be protected by copyright but can be protected under unfair competition doctrine. *In any event Sears and Compco carved out a specific exemption for trademarks and labels of products which can be protected to prevent deception of the public.* That is precisely the situation we have here. Thus, while Sears could manufacture a pole lamp identical to Stiffels, it could not call it a Stiffel pole lamp. Similarly, O A T C may perform songs under the ASCAP License but may not indicate that they are from the opera." (emphasis added)

With respect to the federal policy under 15 USC 1125 which secures a federal remedy relating to the common law tort of unfair competition in interstate commerce and, which was applied to the

infringement of a common law service mark see, *Iding* v. *Anaston*, 266 F. Supp. 1015 (1967); *Geisel* v. *Poynter Products, Inc.*, 283 F. Supp. 261 (1968).

The federal remedy created by 15 USC 1125(a) apart from the common law principles of unfair competition is demonstrated by the case of *Mastro Plastics Corp.* v. *Emenee Industries Inc.*, 240 N.Y.S. 2nd 624 (1963) affirmed at 248 N.Y.S. 2nd 223. For a discussion of 15 USC 1125(a) which proscribes a "false description or representation" or use of a mark which is likely to confuse or deceive purchasers as to the source of origin of such services see, *Societe Comptoir de L'Industrie Cotonniere Etablissements Boussac* v. *Alexander's Department Stores, Inc.*, 299 F. 2d 33 (C.A.NY 1962). In summary, the Court in the *Geisel* case states with reference to § 43 (a) of the Lanham Act (15 U.S.C.A. § 1125):

> "Congress has fashioned a new federal remedy against a particular kind of unfair competition—the use of a false designation of origin or *any false description or representation.* * * *
>
> § 43(a) is a remedial provision and should be broadly construed. * * *
>
> § 43(a) *provides relief against that kind of unfair competition which is analagous to the misappropriation or misuse of trade names or trademarks.* The unfair competition must involve a misuse of a distinguishing characteristic of the manufacturer's product or of the manufacturer himself. * * *
>
> The plaintiff is not required to prove actual palming-off. * * * A showing of the likelihood of customer confusion as to the source of the goods is sufficient." (emphasis added)

[17] The methods used are stated at Page 6, *supra.* Rule 56 FRCP See, Moore's Federal Practice Vol. 6, § 56.77 [7] and Rule 43(e) FRCP. See also the application of Rule 52, FRCP.

[18] Callman, *Unfair Competition, Trademarks and Monopolies*, Third Edition, Vol. 4, § 87.3(b)(2) at 138, and the compendium of cases cited therein at N.10.

[19] See *Dickhaus* v. *Twentieth Century Fox Film Corp.*, 54 F. Supp. 425 (1944).

[20] *Order of United Commercial Travelers of America* v. *Meinsen*, 131 F. 2d 176 (8 Cir. 1942); *Griffin* v. *McCoach*, 313 U.S. 498, 503, 61 S. Ct. 1023, 1025, 85 L. Ed. 1481 (1941); *Klaxon Company* v. *Stentor Electric Manufacturing Co.*, 313 U.S. 487, 496, 61 S. Ct. 1020, 85 L. Ed. 1477 (1941); *Pink* v. *A. A. A. Highway*

Express, Inc., 314 U.S. 201, 62 S. Ct. 241, 86 L. Ed. 152 (1941); *Erie R. Co.* v. *Tompkins*, 304 U.S. 64 (1938). *Gravina* v. *Brunswick Corporation*, 338 F. Supp. 1 (1972). In *Gravina* v. *Brunswick Corporation*, the District Court sitting in R. I. adopted an Illinois rule as a "better rule of law" to be preferred to the R. I. rule which did not recognize an action for invasion of privacy and held that the Illinois law governed the action.

[21] *Kerrigan's Estate* v. *Joseph E. Seagram & Sons*, 199 F. 2d. 694 (3 Cir. 1953); *Christian* v. *Preferred Acc. Ins. Co.*, 89 F. Supp. 888 (D.C. 1950); *Mangol* v. *Metropolitan Life Ins. Co.*, 103 F. 2d 14 (7 Cir. 1939); *Erie R. Co.* v. *Tompkins, supra,* Note 20. "A federal court in a diversity action must accept the ruling of a state court, even if in its opinion it is an erroneous ruling." *Montgomery Ward & Co.* v. *Morris*, 273 F. 2d. 452 (6 Cir. 1960); *Gravina* v. *Brunswick Corporations, supra,* note 20.

[22] See also *Klimas* v. *International Telephone & Telegraph Corp.*, 297 F. Supp. 937 (DC-RI 1970) and 176 (R.I. 1969).

[23] See, *Flexitized, Inc.* v. *National Flexitized Corp.*, and New York cases cited there which extends the doctrine of unfair competition beyond the cases of secondary meaning or "palming off," thus granting "relief in cases where there was no fraud on the public but only a misappropriation for commercial advantage of one person of a benefit or 'property right' belonging to another." 335 F. 2d. at 782 (CA 2d. 1964). *Robert Stigwood Group Ltd.* v. *Sperber, supra,* note 16. Common law service marks are recognized in New York, *National Trail Ways Bus System* v. *Trailway Storage, Inc.*, 269 F. Supp. 352 (EDNY 1965); Here the court granted relief although the businesses were not directly competing. See also, *Geisel* v. *Poyntner Products, Inc.*, 238 F. Supp. 261 (SDNY 1968); *Mastro* v. *Emenee Industries, Inc.*, 240 NYS 2d. 624 (1963); *Societe Comptoir de L'Industrie Cotonniere Establissements Boussac* v. *Alexander's Department Stores, Inc.*, 299 F. 2d. 33 (C.C.A. 2, 1962); *Monsanto Chemical Co.* v. *Perfect Fit Products Mfg. Co.*, 349 F. 2d. 389 (C.C.A. 2, 1962) and *Girl Scouts of America* v. *Hollingsworth*, 188 F. Supp. 707 (E.D.N.Y. 1960). In *Geisel* v. *Poynter Products, Inc.*, note 16, *supra*, the Court in applying New York law said:

> "The plaintiff is not required to prove actual palming-off. A showing of the likelihood of customer confusion as to the source of the goods is sufficient."

[24] The purpose of the Lanham Act, as applied to section 1125(a) (15 USC 1125(a)) as defined in section 1127 is to protect the interest of a commercial class against unscrupulous commercial conduct. *Cooligan Activities* v. *Club of New York Ltd.*, 442 F. 2d. 686 (CA 2d. 1971). The provisions of the Lanham Act 15 USC 1125 and 1127 has been broadly construed by the federal courts to encompass all areas of unfair competition. See, *Dads Root Beer Co.* v. *Doc's Beverages*, 193 F. 2d. 77 (CA 2d. 1951); *L'Aiglon Apparel* v. *Lana Lobel, Inc.*, 214 F. 2d 649, (CA 3d. 1954); *Maternally Yours* v. *Your Maternity Shop*, 234 F. 2d. 538 (CA 2d. 1956); *Mutation Mink Breeders Assn.* v. *Lou Nieranberg Corp.*, 23 FRD 155 (SDNY 1959); *Florida* v. *Real Juices, Inc.*, 330 F. Supp. 428 (D.C. FLA. 1927). In *Florida* the scope of 18 USC 1125 and 1127 was found to be broad enough to protect unregistered common law certification marks; *Alum-A-Fold Shutter Corp.* v. *Folding Shelter Corp.*, 441 F. 2d. 556 (CA 5*th* 1971). *Censable Products, Inc.* v. *Goldblat Bros., Inc.*, 179 USPQ 645 (ND-ILL 1973). Also see cases cited in note 16, *supra*, concerning the availability of a federal remedy relating to the common law tort of unfair competition in interstate commerce. 18 USC 1125(a) and 1127 was enacted to protect consumers and competitors against all forms of misdescription or misrepresentation of products and services in commerce. *Yameta Co.* v. *Capitol Records, Inc.*, 229 F. Supp. 582 (DCNY 1968) Rev. on other grounds at 393 F. 2d. 91.

Similarly 15 USC 1127 expressly extends protection to unregistered common law service marks, as here, against unfair competition.

A service mark is a mark which relates to a service rather than a product. The Lanham Act, § 45 (15 USC 1127) provides:

> "The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, *names*, symbols, *titles*, designations, *slogans, character names*, and *distinctive* features of radio or other advertising used in commerce." (emphasis added)

The basic purpose of a service mark is twofold. The first is to protect the public. The second is to protect the rights of the owner to the mark he has created by keeping another from infringing on his good will—i.e., to prevent one from reaping where one has not sown. *Younker* v. *Nationwide Insurance Co.*, 137 USPQ 901, 904 (1963).

[25] The case of *Sayles Biltmore Bleacheries Inc.* v. *Narragansett Wiping Supply Co.*, 86 R.I. 99, 134 A. 2d. 57 cited by defendants does not speak to service mark claims or misappropriation of another's property but deals with trademark protections. Also inopposite are the cases cited by defendants; *Home of the Week Inc.* v. *Associated Press, Inc.*, 178 F. Supp. 460 (DCRI 1959); *Bostitch Inc.* v. *King Fastener Co.*, 87 R.I. 274, 140 A. 2d. 274 (1958); *Merlino* v. *Schmetz*, 66 R.I. 425, 20 A. 2d. 267 (1941) and *George* v. *George F. Berklanders, Inc.*, 92 R.I. 426 (1961); However, an 1898 Rhode Island case *Armington and Sims* v. *Palmer*, 21 R.I. 109, although not speaking to service mark claims as here, recognizes equitable principles which would accord certain protections to a non-profit business where the parties are not in competition. Additionally, the case of *Cady* v. *Schultz*, 19 R.I. 193, an 1895 Rhode Island case, would protect trade names where commercial immorality, inequitable behavior, fraud, or piracy was involved apart from consideration of "palming off" or "passing off," contrary to defendants' urgings.

[26] See *Dads Root Beer* v. *Doc's Beverages*, 193 F. 2d. 77 (CA 2d. 1951); *Maternally Yours, Inc.* v. *Your Maternity Shop, Inc.*, 234 F. 2d. 538 (CA 2d. 1956); *W.E. Bassett Co.* v. *Revlon, Inc.*, 435 F. 2d. 656 (CA 2d. 1970) As to an apportionment of profits under the common law, see *Hamilton-Brown Shoe Co* v. *Wolfe Bros. & Co.*, 240 U.S. 251 (1916).

IN THE

Supreme Court of the United States

October Term, 1975

No. 75-752

VICTOR DECOSTA,

Petitioner,

v.

COLUMBIA BROADCASTING SYSTEM, INC., CAPITAL CITIES BROADCASTING CORPORATION and CBS FILMS, INC.,

Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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December 23, 1975

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COLUMBIA BROADCASTING SYSTEM, INC., CAPITAL CITIES BROADCASTING CORPORATION and CBS FILMS, INC.,

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BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

(Respondents' Appendix contained herein)

The respondents respectfully request that the Court deny the Petition for a Writ of Certiorari to review the opinion and judgment entered in this case on June 24, 1975 by the United States Court of Appeals for the First Circuit.

Questions Presented

Petitioner fails to substantiate the argument suggested in Questions "1." and "2." (pb-2,3)* and later pursued (pb-17-25) that the Court of Appeals' rejection of the Dis-

* "pb- " will be used hereinafter to refer to page numbers in the Petition before the Court.

trict Court's application of a "manifest error" standard of review as to the Magistrate's conclusions of law has created a "confused and unmanageable" standard for other federal courts in the realm of consensual references. Given the present state of the law * and the record before it, the Court of Appeals' decision on this issue was eminently correct and raised no questions sufficiently important to warrant review.

With respect to Questions "3." and "4." (pb-3) it is clear that no substantial federal question has been raised by the Court of Appeals' substantive rulings. The Court below never determined the alleged issue proffered in Question "3." except to correctly hold that in the Court of Appeals the Magistrate's findings of fact, as confirmed by the District Court, were subject to "clearly erroneous" review even though "final", and that conclusions of law were fully reviewable. The Court of Appeals then proceeded to treat the Magistrate's finding of "likelihood of confusion" as a "final" finding of fact and rejected it for the reason that, on the entire evidentiary record before it, the Court of Appeals was left with the firm conviction that the Magistrate had committed a mistake, and that the District Court's *pro forma* confirmation of that mistake constituted reversible error.

In addition to the fact that Question "4." incorrectly suggests that petitioner's Paladin materials ** and respondents' similar service marks were "competing" (pb-3), the Question evidences a misconception on petitioner's part

* 28 U.S.C. § 636(b) and pending Congressional amendments thereto. See Reasons for Denying Writ IC, *infra*.

** The avocational moniker, slogan, knight chess piece and other items allegedly created by petitioner will hereinafter be referred to as "the Paladin materials".

that this Court sits as a final trier of fact. The Supreme Court has repeatedly stated to the bar that it will not grant Certiorari to review cases which turned below entirely on issues of fact and the application of proper legal rules to the facts because such cases must be viewed as presenting no more than intrinsic importance to the litigants at bar. This is such a case.

Statement of the Case

Petitioner's statement of the case is correct only to the extent that it restates the 12-year travel of this case and quotes from the language of the opinion below. Respondents' principal objections to petitioner's confusing attempts to interpret the record and opinion below will now be set forth.

Petitioner erroneously suggests (pb-8) that it has already been determined in this case that respondents misappropriated and exploited petitioner's "characterization". Even if it could be argued that the jury at the trial of Count One found that respondents had misappropriated a "characterization" created by petitioner (i.e., an idea for a literary character),* the Court of Appeals in reversing that verdict correctly recognized that respondents' alleged copying and exploitation were limited to petitioner's "calling card" containing his avocational moniker ("Paladin"), slogan ("Have Gun—Will Travel"), knight chess piece symbol and a photograph of petitioner wearing his black cowboy costume and accoutrements.

* Such an argument would not be persuasive for the reason that the jury's verdict on Count One was a general verdict without special questions.

Nor is it correct for petitioner to cite the Court of Appeals' reference to this case in its 1967 opinion (377 F.2d at 316) as one of "coincidence run riot" to support the intimation that respondents relied on "innocent coincidence" as their principal defensive theory in the 1966 trial in this action (pb-8). Respondents' defensive theory at trial, to the contrary, was premised on three major points: 1) respondents' categorical denial of the allegation that they copied any of petitioner's Paladin materials; 2) the contention that respondents created their Paladin costume, calling card and accoutrements without access to, and thus independently of petitioner's Paladin materials; and 3) the contention that petitioner acquired most of his Paladin materials *from respondents* after he watched episodes of "Have Gun Will Travel"* following the program's premiere in late 1957. The latter contention unfortunately could not be established at trial due to the fact that petitioner's six-year delay in commencing action severely hampered respondents' efforts to secure evidence to rebut the testimony of some of petitioner's witnesses that his Paladin materials existed before 1957.

At pb-10 petitioner characterizes the first count of the Third Amended Complaint as having alleged a claim for "unjust enrichment". The first count in fact purported to state a claim sounding in "idea theft" recognized under applicable New York law ** as a claim alleging a contract implied in law. Notwithstanding the fact that the Court of Appeals ruled that petitioner's "idea theft" claim was Constitutionally barred, the Court of Appeals' 1967 reversal and dismissal of the first count was also correctly grounded on petitioner's failure to produce a shred of

* Hereinafter referred to as "HGWT".

** A-24; footnote 26.

evidence to support his cause of action under New York's common law of ideas. See, 377 F.2d 315 at 318, 320 (1st Cir. 1967).* Thus the Court of Appeals' recognition of the fact that its 1967 ruling may have been "overinclusive" in light of this Court's subsequent rulings in *Kewanee* and *Goldstein* (pb-10) in no way supports petitioner's intimation that the Court of Appeals in effect conceded that his damage award under Count One "should have been sustained" and that this Court should perhaps grant review to retroactively apply the rulings of *Kewanee* and *Goldstein* to the claim finally adjudicated in 1967. (See Reasons for denying Writ II B, *infra*.)

Petitioner's assertion (pb-12) that the District Court entered the order of reference "by agreement of all parties" is somewhat misleading. Counsel for the parties did not confer and bilaterally agree to submit their cross-motions for summary judgment to a United States Magistrate for plenary disposition, nor did they request of the Court that it approve such procedure. Thus it is clear that the District Court's order of reference was not based on an agreement of the parties to have their motions tried before a tribunal other than the District Court.** In reality, the District Court decided on its own initiative to refer

* Petitioner failed to establish with any believable evidence that any one or a combination of his Paladin materials was objectively original ("novel"), reduced to concrete form or had been submitted to defendants under a mutually acceptable understanding that if the materials were used, respondents would compensate petitioner for their reasonable market value at the time of submission. Additionally, petitioner never produced a shred of evidence that respondents ever had access to his materials. See *Downey* v. *General Foods Corp.*, 31 N.Y. 2d 56, 286 N.E.2d 257 (1972) and cases cited therein. The elements of the claim are also recognized and followed in the First Circuit. *Puente* v. *President and Fellows of Harvard College*, 248 F.2d 799 (1957), *cert. den.* 356 U.S. 947 (1958).

** Compare, *Kimberly* v. *Arms*, 129 U.S. 512 at 516-517.

the cross-motions to alleviate its heavy trial calendar and asked counsel whether there were any objections. Having reached the conclusion that objection would serve no useful purpose, counsel for respondents acquiesced in the District Court's announced intention, and counsel for petitioner also agreed thereto.* Thus the reference was "consensual" as to respondents only to the extent that they did not object to it.

At pb-12, 13 and again at pb-18, 19, petitioner refers to the Magistrate's conclusion that respondents' alleged copying created a "likelihood of confusion" as the "critical issue respecting the merits of the case". This analysis is incorrect to the extent that it omits the Court of Appeals' extremely significant threshold ruling which rejected the Magistrate's finding of mixed fact and law that petitioner was the owner at common law of the marks in question. The Court of Appeals correctly held that at the present time the common law of service marks and unfair competition of no state recognizes the non-commercial use of a name, slogan or symbol by an individual solely for his own amusement as a sufficient evidentiary basis on which to hold that there has been acquisition of a protectible property right in such materials. Even though the Court of Appeals' decision on the merits did not rely on this ruling, that Court's later discussion of "likelihood of confusion", culminating in its rejection of the Magistrate's clearly erroneous finding on that issue, shows that substantial weight was accorded to the fact that petitioner never used the Paladin materials in connection with an established business or non-profit institution as symbols of a valuable commercial goodwill. (See, Reasons for Denying Writ II A, *infra*.)

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* *See* Record on Appeal below; paragraph 11 of respondents' Petition for Leave to Appeal to Court of Appeals.

REASONS FOR DENYING THE WRIT

I.

The Writ should be denied as to Questions "1." and "2." presented for review.

A. No conflict of decisions has been or will be created by the Court of Appeals' ruling that the "unless clearly erroneous" standard set forth in Rule 52(a) FRCP must be utilized by a Court of Appeals reviewing a District Court's confirmation of a U.S. Magistrate's report in a consensual reference of dispositive cross-motions.

Respondents' thorough review of the post-1968 Federal Reporter, Second Series * has failed to unearth a single decision of any Court of Appeals which raises the slightest conflict with the rationale or language employed in the ruling in question. It is apparent, then, that the alleged "unmanageability" (pb-20) of the procedure promulgated by the Court of Appeals below has been raised as an issue solely for the purpose of securing this Court's review of the dispositive ruling below that a finding of "likelihood of confusion" is a legal impossibility on the record in this case. (See, *infra*, Point II A, B.)

There is no merit in petitioner's suggestion that the opinion below "clearly rejected" (pb-17) the "manifest error" standard of review for consensual references voiced in *dictum* ** by a 19th Century predecessor of this Court

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* The United States Magistrates Act, 28 U.S.C. §§ 631-639, was passed into law in 1968.

** See 5A Moore's Federal Practice, § 53:15, pp. 3044-3046: "Subdivision (e)(4) [of Rule 53 FRCP] may have modified the pre-existing law in some degree. Previously many courts were constrained to hold, following a dictum in *Kimberly* v. *Arms*,[1] that in a reference by consent of the parties more than ordinary weight was to be given the master's report. . . ."

* * *

". . . Rule 53(e)(4) expressly provides that 'The effect of a master's report is the same whether or not the parties have consented to a reference . . .' Any prior case law to the effect that a reference compels extraordinary weight to be given to the master's report is no longer in point." (Matter in brackets supplied; citation at "1" omitted.)

[*Kimberly* v. *Arms*, 129 U.S. 512 (1889)]. Petitioner's argument is vitiated in the first instance by the fact that *Kimberly* was decided nearly five decades before the effective date of the Federal Rules of Civil Procedure. Any present-day reliance on *Kimberly* for the proposition that a consensual reference to a master binds a District Court to accept a Magistrate's legal conclusions unless they are "manifestly" erroneous is misplaced because it, like *Kimberly*, takes no cognizance of Rule 53(e) FRCP.

Petitioner never clearly commits himself as to whether he does or does not rely on *Kimberly*.* For example, if petitioner in fact submits that *Kimberly* should have been viewed as controlling by the Court of Appeals, he perforce must accept Professor Moore's correct view that passage of the Federal Rules of Civil Procedure has rendered its *dictum* as to conclusions of law "no longer in point" **. But if, on the other hand, petitioner intends to maintain that the Court of Appeals erred in "importing" the restrictions of Rule 53(e)(4) FRCP into the issue (pb-23) because the motions below were referred under the "additional duties" language of 28 U.S.C. § 636(b) rather than the provision of the statute expressly dealing with masters [28 U.S.C. § 636(b)(1)], then he must divest himself of his apparent reliance on *Kimberly*, which on its face can only be read to pertain to a reference to a master.

Even if *Kimberly* had remained unglossed by Rule 53(e) FRCP, it would be impossible to find that the decision below presents a direct conflict because the Court of Appeals' ruling substantially adopted the *dictum* of that case.

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* Compare petitioner's "rejection" allegation, pb-17, with footnote 11 appearing at pb-25.

** Perhaps this Court was the first to recognize that the *dictum* in *Kimberly* "lacks content . . ." (A-13); see, *Davis* v. *Schwartz*, 155 U.S. 631 at 637 (1895).

In accepting as controlling the "finality" provision of Rule 53(e)(4) as to the Magistrate's findings of fact * the Court of Appeals in effect ruled in accord with *Kimberly* to the extent that the *dictum* of that decision prescribed that a master's findings of fact in a consensual reference are to be treated as presumptively correct by the District Court in its initial review.

In the premises, the Court of Appeals' opinion that *Kimberly* lacks content to the extent that its *dictum* no longer applies to district court review of legal error, falls far short of presenting a *direct* conflict with any decision of this Court which has retained its vitality as a correct statement of currently applicable law.**

B. The rectitude of the Court of Appeals' review of the Magistrate's report pursuant to the "unless clearly erroneous" standard of Rule 52(a) FRCP cannot be successfully challenged regardless of the ruling below that the District Court erred in failing to review the Magistrate's erroneous legal conclusions.

At pb-17, 18 and again at pb-21 through 23 petitioner unsuccessfully attempts to attack the rigor of the Court of Appeals' intrinsic logic in ruling that the District Court erred in refusing to review the Magistrate's legal conclusions and that Rule 52(a) mandated the Court of Appeals' standard of review.

The logic employed by the Court of Appeals in rendering the subject rulings is not invalidated to the slightest degree by petitioner's assault. The Court of Appeals cor-

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* Despite the fact that respondents did *not* enter into a voluntary undertaking of factual finality; see respondents' statement of the case, *supra*.

** See, *e.g.*, *Supreme Court Practice*, R. L. Stern and Eugene Gressman (4th Ed., 1969), at page 157.

rectly reasoned (Reasons for Denying the Writ I A, *supra*) that, regardless of the standard applied by the District Court, the Court of Appeals was not bound to accept the dictum of *Kimberly* v. *Arms, supra,* that the Magistrate's legal conclusions must be accepted unless manifestly erroneous (A-13). Then, having recognized its duty to "safeguard" the impartiality of the procedure before the Magistrate (A-13) to insure that the decision was not infected with prejudicial error, and having recognized the fact that Congress, at the time the Court of Appeals authored the opnion below, had not yet taken penultimate steps in fashioning a review procedure for consensual references to Magistrates, and being aware of the strong suggestions of this Court in *La Buy* v. *Howes Leather Co.*, 352 U.S. 249 (1957) respecting the primacy of Rule 53 FRCP considerations where the integrity of the process may be threatened (A-11, 12),* the Court of Appeals felt it was well justified in relying on Rule 53(e)(4) FRCP to provide manageable guidelines for a *pro tempore* standard of review in this case.

Having thus reviewed and accurately stated the factual conclusions and legal framework of the issue, the Court of Appeals ruled that the District Court erred in refusing to review the Magistrate's *legal conclusions* for prejudicial error. The Court of appeals *did not* rule, however, that the District Court erred in viewing the Magistrate's findings of fact as "final" (*i.e.*, "presumptively correct") except for "manifest error". Petitioner's attack fails because it proceeds on the faulty assumption that the Court of Appeals ruled that the clearly erroneous standard of Rule

* Not to mention that Court's awareness of its own prior admonitions in this connection, *O'Shea* v. *United States,* 491 F.2d 774 (1st Cir. 1974), and those of this Court, *Wingo* v. *Wedding,* 418 U.S. 461 (1974).

52(a) FRCP applied *to the factual review of the District Court* even though the Court of Appeals had confirmed the "finality" of the Magistrate's findings for the purpose of the lower court's review. All that was held below was that Rule 52(a) applied to the Court of Appeals' review, that the District Court was arguably * correct in reviewing the Magistrate's findings of fact only for "manifest error" and that the District Court erred in declining to review the Magistrate's legal conclusions.

Petitioner's implicit contention that the Court of Appeals erred in reviewing the Magistrate's report pursuant to Rule 52(a) FRCP also lacks merit. The Congressional mandate of Rule 52(a) requires the Court of Appeals to review challenged factual findings of a United States District Court for clear error and to scour the legal conclusions below for any prejudicial error of law. Since the District Court's confirmation of the Magistrate's report placed the findings and conclusions it contained before the Court of Appeals on the same footing as if they had been the findings and conclusions of the District Court—subject to review under the standard formulated in Rule 52(a) FRCP—it is clear that the *ratio decidende* employed by the Court of Appeals is unassailable not only in terms of its intrinsic logical rigor, but also in the sense that it is eminently correct from a strictly legal point of view.**

* "We need attempt no categoric answer to this issue. . . ." Opinion below, A-14.

** Petitioner misplaces his reliance (pb-22, footnote 8) on Professor Moore's statement that a reviewing court must accept findings stipulated for finality except where the master has been guilty of an abuse of discretion. The learned commentator was referring solely to district court review under Rule 53(e)(4). A Court of Appeals must render "a real review". *Beckley National Bank* v. *Boone,* 115 F.2d 513, 515-516 (4th Cir. 1940), *cert. denied,* 313 U.S. 558 (1941).

Petitioner refers the Court to no objective or procedural standard by which it could be found on review that it was inconsistent to rule that, on one hand, Rule 53(e)(4) should have controlled the District Court's review of the Magistrate's findings (findings of fact "final" but legal conclusions fully reviewable), and that on the other the Court of Appeals was required by Rule 52(a) to "treat the factual findings of the Magistrate adopted by the District Court as subject to the clearly erroneous standard, and to treat the legal decision of the Magistrate as subject to the full review of this Court." (A-15) Petitioner's apparent thesis (pb-17-25) that other federal courts may experience difficulty in interpreting the logic of the ruling in question is belied by its obvious discernability. In any case, even if there were a lack of logical rigor in the opinion below, that fact alone would surely fall far short of a demonstration that this case is sufficiently important to warrant review.

C. Legislation amending 28 U.S.C. § 636(b), which is currently awaiting passage into law (S. 1283 and H.R. 5575), substantially confirms the rectitude of the Court of Appeals' rulings.

Petitioner's attempt to demonstrate reviewable importance in the reference rulings * loses all persuasive force when it is recognized that the task of promulgating standards of review for all types of references to United States Magistrates (pb-20) has already been undertaken and is presently awaiting passage into law in the Congress of the United States.

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* As to "importance," generally, see Stern and Gressman, *Op. Cit.*; p. 167.

S. 1283,* introduced by Senator Quentin Burdick of North Dakota on March 21, 1975, was thereafter referred to the Senate Judiciary Committee and thence to the Subcommittee on Improvements in Judicial Machinery. In July, 1975, the Subcommittee held hearings before which United States District Court Judge Charles M. Metzner (Southern District of New York)** and Morley L. Sear, a U.S. Magistrate,*** testified that their organizations are in complete accord with S. 1283 to the extent that the Bill clarifies the authority of the district courts to refer dispositive and other motions to Magistrates and promulgates standards of review applicable to each class of reference. A copy of the revised version of S. 1283, as approved by the Subcommittee and favorably reported to the Senate Judiciary Committee, along with the Subcommittee hearings and a draft of a proposed favorable report on the Bill from the Senate Judiciary Committee to the full Senate are reprinted in the appendix to Respondents' Brief (RA 1 through 61).****

It should be noted prefatorily that S. 1283 completely negates whatever significance may ever have attached to the "consensual" nature of a reference of dispositive

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* H.R. 5575, a bill identical in all material respects to S. 1283, is presently awaiting hearings before the House Committee on the Judiciary and Civil Liberties.

** Chairman of the Judicial Conference Committee on the Administration of the Federal Magistrate System.

*** Chairman of the Legislative Committee, National Council of U.S. Magistrates.

**** William P. Westphal, Esq., Chief Counsel to the Subcommittee, has informed counsel for respondents that it is very likely that S. 1283 will be approved by the Senate Judiciary Committee and favorably reported out to the Senate floor during the second session of the Ninety-Fourth Congress, on or about January 20, 1976. No serious opposition to the bill—either in the Judiciary Committee or on the floor of the Senate—is presently anticipated.

motions to a U.S. Magistrate. Under S. 1283 a United States District Court Judge has the complete discretion to refer (and thus need not secure litigant consent in order to refer) a dispositive motion. "Consent" is relevant only to the right of the parties litigant to object to a reference to a Magistrate to perform the functions of a master* and is then relevant only to the extent that a reference upon consent enables the Court to dispense with the "exceptional condition" provision of Rule 53(b) FRCP. [Compare, subsections (b)(1)(A)(B) and (C) of S. 1283 to subsection (b)(2); RA 61.]

The portions of S. 1283 relevant to Questions "1." and "2." presented for review may be summarized in the following manner:

> 1.) A District Court Judge has the full discretion to refer to a U.S. Magistrate for hearing and determination a motion which is not dispositive of the action. If objection is made to the determination of the Magistrate, the District Court must review the Magistrate's findings under a "clearly erroneous" standard of review; conclusions of law are fully reviewable. [S. 1283; (b)(1)(A), RA 61.]
>
> 2.) A District Court Judge also possesses full discretion to refer dispositive motions—such as the cross-motions for judgment in the instant litigation—to a Magistrate, but only for review and the preparation of a report, to be presented to the District Court, setting forth the Magistrate's proposed findings and recommendations for disposition. [S. 1283; (b)(1)(B), RA 61.]

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* *Eg.*, ministerial tasks such as reviewing and reporting on the evidence.

> 3.) Should there be an objection to such a report, "A judge of the court shall accept, reject or modify in whole or in part, the findings or recommendations made by the magistrate." [S. 1283; (b)(1)(C), RA 61.] In short, no "finality"—indeed no weight at all—need be accorded by a District Court to the legal conclusions contained in the report of a U.S. Magistrate following the reference of a dispositive motion.*

Thus to the extent that the Court of Appeals rejected respondents' contentions below respecting the constitutionality of the reference, and the District Court's application of a "manifest error" standard to the legal conclusions of the Magistrate, it is abundantly clear that Congress' imminent amendment to 28 U.S.C. § 636(b) fully confirms the rectitude of the opinion below.

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* The standard thus enunciated is based on the procedure for review of a master's report promulgated in Rule 53(e) FRCP. (Hearings before Subcommittee; RA-31, 32). Professor Moore explains that the standard gives the district court wide discretion in dealing with a report, subject only to the condition of the "clearly erroneous" rule. 5A Moore, §§ 53:12, pp. 2998, 3001, 3008-3010, 3011-3014, 3021; 53:13[2], p. 3032.

II.

The Writ should be Denied as to Questions "3." and "4." presented for Review.

A. The Court of Appeals' reversal of the District Court's order granting judgment to petitioner presents no direct conflict with decisions of other Courts of Appeals on the issues of whether "likelihood of confusion in the market place" is an issue of fact or of law, and the quantum of evidence required to correctly find a likelihood of consumer confusion, and thus does not raise questions of sufficient importance to warrant review.

Petitioner appears to have mistated the opinion below in suggesting (pb-26) that the Court of Appeals held that petitioner established a protectible property right in his Paladin materials as "service marks" under the common law. The Court of Appeals correctly rejected the Magistrate's erroneous finding of mixed fact and law that petitioner is the owner of common law service marks in the Paladin materials. The court below held that the common law of service marks and unfair competition of no state presently recognizes an individual's avocational use of a name, slogan, symbol or costume as a sufficient basis on which to predicate a property right in such materials as service marks.* Then, apparently in order to reach and determine the clearer issue of "likelihood of confusion,"** the Court of Appeals assumed *arguendo* that petitioner had acquired a common law property right in respondents' marks. (A-23). Thus reversal and dismissal of Counts

* It is significant that petitioner challenges neither this ruling, nor the ruling that petitioner suffered no damage (A-17).

** The Court of Appeals apparently accorded undue emphasis to cases protecting the corporate names of not-for-profit institutions, each of which, unlike petitioner, possessed a valuable commercial goodwill upon which competitors were attempting a "free ride".

Two and Three of the complaint could have been grounded on the threshold issue with equal rectitude. *Heinemann* v. *General Motors Corp.*, 342 F. Supp. 203 (D.C. N.D. Ill. 1972), *aff'd* 478 F.2d 1405 (7th Cir. 1973) (unpublished opinion); *Sayles Biltmore Bleacheries* v. *Narragansett Wiping Supply Co.*, 86 R.I. 99, 134 A.2d 57 (1957); *Anderson* v. *National Broadcasting Co., Inc.*, 178 F. Supp. 762 (D.C. S.D. N.Y. 1959); see, *Hanover Star Milling Co.* v. *Metcalf*, 240 U.S. 403, 412-414 (1916); *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U.S. 90, 96 (1918).

Indeed, only when the thrust of the threshold ruling is recognized can the Court of Appeals' dispositive ruling be placed in a proper conceptual frame. It is the entirely unique factual complexion of the case at bar* which places the issue of "likelihood of confusion in the marketplace" in its proper perspective in terms of reviewable importance, and also demonstrates conclusively that the Court of Appeals' ruling on that issue was correct.

Question "3." (pb-3) falls short of raising a viable issue for review because it proceeds on the erroneous assumptions that the Court of Appeals in fact decided that the issue of "likelihood of confusion in the marketplace" is one of law, and thus reviewed the finding without regard to "clearly erroneous" restrictions.**

Even if the Court of Appeals had rendered a specific ruling on this purported issue, thus aligning it with one or the other of the two lines of decisions in the Circuits, it is

* "(petitioner) sold no product, services or institution, charged no fees, and exploited only himself." 377 F.2d at 316; see, A-19, 20 (matter in parentheses supplied).

** That this assumption was necessary to the success of petitioner's argument can hardly be doubted; only if the Court of Appeals accorded *de novo* review could petitioner assert that he was substantially aggrieved by the ruling.

clear that the ruling would have been in accord with the decisions which hold that "likelihood of confusion in the marketplace" is a question of fact which must be accorded "clearly erroneous" review on appeal.* No other conclusion is possible in view of the treatment given the finding by the Court of Appeals. Following discussion of the factors determinative of the issues, and the insubstantial evidence relied upon by the Magistrate in this connection, the court below held:

> "The magistrate's findings being treated as final, they are here subject to the same standard of review as are district court findings under Fed. R.Civ.Pro. 52(a). They must be accepted unless clearly erroneous. On this issue ["likelihood of confusion in the marketplace"], however, we see no alternative to saying the finding is not supported." (A-26; matter in brackets supplied.)

Had the court below treated the subject issue as one of law, obviously no such discussion would have been required. Thus Question "3." in effect presents no more than a request for an advisory opinion as to which line of federal decisions on the issue is correct.

Nor does "the degree of proof" necessary to demonstrate "likelihood of confusion in the marketplace" (pb-28)** pose the type of question which this Court has often chosen to review. It is the law in *all* states of the Union that the quantum of evidence required to find "likelihood

*Under New York law, which is controlling at bar, the issue of likelihood of *customer* confusion is the ultimate *factual* issue in an unfair competition action involving trade or service marks. See, McCarthy, *Trademarks and Unfair Competition*, Vol. 2, § 23:22 (C), p. 79 (1973) and *Dell Pub. Co.* v. *Stanley Publications, Inc.*, 9 N.Y.2d 126, 172 N.E.2d 656 (1961).

** Question "4." presented for review.

of confusion" cannot be reduced to a formula. The conclusion of the trier of fact on that issue is highly subjective because it must be premised on the unique facts of each case. McCarthy, *Op. Cit.*, § 23:26, pp. 84-87. The Court of Appeals concluded that the Magistrate erred in this case because the Court of Appeals was convinced that on the basis of all the evidence * a mistake had been committed. Accordingly, the ruling below cannot be compared with decisions elsewhere relying on a different yet still subjective quantum of evidence. It suffices to say that just as an intelligent and discriminating purchaser could not have been deceived by a juxtaposition of the "Cranston Paradigm" (A-17) and HGWT, neither was the Court of Appeals.**

* Particularly compelling were the facts that petitioner was a local manikin who did not have "customers" and respondent CBS is a national television network selling "Have Gun Will Travel" advertising time to sponsors (A-26). That is the *only* significance in petitioner's sympathy-seeking comment (pb-29) that the parties' "size" disparity should not have been a factor in the Court of Appeals' decision.

** Competent evidence of "likelihood of confusion *in the marketplace*" or "likelihood of *customer* confusion", is not supplied by proof that someone at sometime made an erroneous identification outside the context of commerce, but whether potential customers would be likely to purchase an infringer's goods, when in fact they had intended to purchase the complainant's, by virtue of a deception caused by confusingly similar marks or trade dress. See, *McGraw-Hill* v. *American Aviation Assoc's.*, 117 F.2d 293, 295 (D.C. Cir. 1940) and compare, *Standard Oil Co.* v. *Standard Oil Co.*, 252 F.2d 65, 74 (10th Cir. 1958); McCarthy, *Op. Cit.;* § 23:21, pp. 73-75; A-25, footnote 27; A-26, footnote 28.

B. Review is not warranted to consider petitioner's suggestion that the Court should apply the decisions in *Goldstein* and *Kewanee to the Court of Appeals' 1967 decision reversing jury verdicts and entering final judgment for respondents on the "idea theft" claim of Count One.**

The argument proffered at pb-10 is not persuasive because it fails to come to grips with the fact that the appeal which culminated in the reversal of petitioner's 1966 jury verdicts on Count One was taken from a District Court order directing that *final judgment* on Count One be entered in favor of petitioner pursuant to Rule 54(b) FRCP (Record Appendix, Vol. I at p. 220). In taking jurisdiction over and adjudicating the 1967 appeal, the Court of Appeals in effect confirmed the finality of that judgment. Indeed, in 1975 the Court of Appeals held that:

> "What we decided in *DeCosta I* has settled, for this case, the issue of misappropriation." (A-18)

When petitioner sought a Writ of Certiorari to review the final judgment entered for respondents on Count One and his Petition was denied, litigation on the merits as to that claim came to an end. *Cf. Linkletter* v. *Walker*, 381 U.S. 618, 622 n.5 (1965). Absent fraud or some other factor** which could be viewed to invalidate the final judgment on Count One entered in favor of respondents following their 1967 appeal, petitioner is barred by the doctrine of *res judicata* from using the present proceeding as a device to mount a collateral attack on that judgment. 1B Moore, *Federal Practice*, § 0.401 at pp. 11-12, § 0.405 at p. 628 quoting from *Heiser* v. *Woodruff*, 327 U.S. 726, 733 (1946).

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* *Goldstein* v. *California*, 412 U.S. 546 (1973); *Kewanee Oil Co.* v. *Bicron Corp.*, 416 U.S. 470 (1974).

** Petitioner makes no such allegation, and there is no evidence in this record which could support the allegation if it were made. *See, Sea-Land Services Inc.* v. *Gaudet*, 414 U.S. 573, 578-579, *reh. denied*, 415 U.S. 986 (1974).

The real thrust of petitioner's argument is that this Court should declare the rulings in *Goldstein* and *Kewanee* to be retroactive. But these decisions clearly are not the type of cases to which this Court normally accords retroactive effect. *See, Linkletter* v. *Walker, supra,* 381 U.S. at 627; Barry R. Ostrager, *Retroactivity and Prospectivity of Supreme Court Constitutional Interpretations,* 19 New York Law Forum 289 (Number 2, Fall 1973).

More significantly, neither decision has the slightest applicability to the issue decided in Count One. *Goldstein* and *Kewanee* (pb-10, fn.2) stand for the proposition that state legislatures and courts are not constitutionally preempted from creating and enforcing statutory or common law remedies for the conversion of a tangible object or creation unprotected by federal law, and the use of such object against its creator in an unfairly competitive manner. The Law of New York is in accord. See, *Columbia Broadcasting System, Inc.* v. *Documentaries Unlimited,* 42 Misc.2d 723, 248 N.Y.S.2d 809 (Sup. Ct. New York County, 1964); *Metropolitan Opera Assoc.* v. *Wagner Nichols Recorder Corp.*, 199 Misc. 786 (Sup. Ct. New York County, 1950), *aff'd* 279 App. Div. 632 (1st Dept. 1951). Mere copying, as this Court took pains to note (*Goldstein,* 412 U.S. at 550-551, 571) is still constitutionally permissible. (*Accord, Miller* v. *Universal Pictures Co.*, 11 A.D.2d 47, 49 (1st Dept. 1960), *aff'd* 10 N.Y.2d 972 (1961); *Booth* v. *Colgate-Palmolive Co.*, 362 F. Supp. 343 (D.C.S.D.N.Y. 1973). Since copying *simpliciter* is all that can be fairly gleaned from Count One, and the only finding that plaintiff's trial evidence could arguably be viewed to have supported,*

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* "Misappropriation *of the thing itself*", or conversion is not alleged, and no evidence exists to support such allegation. The Court of Appeals has twice held that "passing off" is not supported by any evidence, and petitioner has not taken issue therewith on either occasion.

petitioner's reference to the rulings in *Kewanee* and *Goldstein* as a possible additional reason for granting the Writ is clearly devoid of merit.

III.

The consequences of granting the Writ in and of themselves constitute sufficient reasons for denying it.

Vexing problems would be created for the federal judiciary if the Court were to grant the Writ and review and reverse the opinion below along the lines suggested by petitioner. Two such problems are immediately apparent.

Such a ruling would directly conflict with imminent Congressional action to promulgate standards of review for dispositive motions referred to U.S. Magistrates which are less restrictive than review only for "manifest error" of fact and law (S. 1283 and H.R. 5575). (See, Reasons for Denying Writ I C. *supra.*)

Any ruling by this Court that a "manifest error" standard must be applied to both District Court and Court of Appeals review of a Magistrate's legal and factual conclusions in all consensual references clearly would have the effect of usurping litigants' recognized existing right to determine the extent to which they wish to be bound by a Magistrate's report, and would also have the effect of drastically reducing recourse and increasing litigant resistance to the procedure.

Respondents respectfully submit that the latter prediction is an extremely cogent one. It is appropriate to ponder the effect on counsel, confronted with a District Court's desire to refer (and thus the necessity of "consenting" or objecting thereto), of the prescription by this Court of a "manifest error" standard of review for a Magistrate's

report as to both fact and law should the parties "consent". Would not counsel be compelled to vigorously resist reference in the knowledge that if there were first-instance disposition by the District Court, the standard of review to be applied to objections on appeal would be far less stringent? Does not petitioner's argument in effect propose a system, actuated only by the amorphous concept of litigant "consent," in which the findings and conclusions of a U.S. Magistrate are significantly less susceptible to searching appellate review than that of a U. S. District Court? Affirmative answers are clearly indicated.

Any response that "consent" would imply knowing acceptance of the standard would only beg the question. In the truest sense all references to U.S. Magistrates—whether requested by the parties or politely *suggested* by a busy District Court Judge—are "consensual". Thus in the real life of the federal judiciary, the application of a "manifest error" standard for "consensual" references would become truly uniform.

The spectres outline above possess sufficient substance to compel the greatest restraint in contemplating any move to upset the Court of Appeals' logically consistent, practically manageable and legally correct method of delimiting the role which "manifest error" review should fill in the federal magistrate system. Restraint seems especially appropriate where Congress, fully cognizant of the need for uniform standards of review in this context, is on the verge of providing standards which exclude any recourse to "manifest error" review regardless of the nature of the reference or the matter referred.

CONCLUSION

The petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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JOHN M. KEENE, III
PAMELA G. OSTRAGER
December 23, 1975

IN THE

Supreme Court of the United States

October Term, 1975
No. 75-752

—o—

VICTOR DECOSTA,

Petitioner,

v.

COLUMBIA BROADCASTING SYSTEM, INC., CAPITAL CITIES BROADCASTING CORPORATION and CBS FILMS, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

—o—

CERTIFICATE OF SERVICE

I, EUGENE L. GIRDEN, a member of the Bar of this Court, hereby certify that on the 23rd day of December 1975, three copies of the Brief for Respondents in Opposition to Petition for a Writ of Certiorari were mailed, postage prepaid, to Counsel for Petitioner: Alan T. Dworkin, 809 Industrial Bank Building, Providence, Rhode Island 02903, Leonard Michaelson, 300 Industrial Bank Building, Providence, Rhode Island 02903, Eugene Gressman, 1828 L Street N.W., Washington, D.C. 20036.

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APPENDIX

JURISDICTION OF UNITED STATES MAGISTRATES

HEARING

BEFORE THE

SUBCOMMITTEE ON IMPROVEMENTS IN JUDICIAL MACHINERY

OF THE

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

S. 1283

JULY 16, 1975

Printed for the use of the Committee on the Judiciary

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JURISDICTION OF UNITED STATES MAGISTRATES

WEDNESDAY, JULY 16, 1975

U.S. SENATE,
SUBCOMMITTEE ON IMPROVEMENT
IN JUDICIAL MACHINERY,
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 8:30 a.m., in room 6202, Dirksen Senate Office Building, Senator Quentin N. Burdick (chairman of the subcommittee) presiding.

Present: Senator Burdick.

Also present: William P. Westphal, chief counsel, Brian Southwell, deputy counsel, and Kathryn Coulter, chief clerk.

Senator BURDICK. The matter before the subcommittee today is S. 1283, a bill to further define the jurisdiction of the U.S. magistrates. The subcommittee will also consider printed amendment No. 589, which has been offered to S. 1283.

When I introduced this bill on March 21 of this year at the request of the Judicial Conference, I explained that consideration of this legislation was made necessary as a result of a decision by the Supreme Court of the United States handed down on June 26, 1974, in the case of *Wingo* v. *Wedding*, 418 U.S. 461, in which the Supreme Court interpreted section 636(b) of the title 28 and held that the statutory language employed by the Congress, when it enacted the Magistrates Act in 1967, did not authorize the magistrate to hold an evidentiary hearing in a habeas corpus proceeding brought by a prisoner, but that the statute merely authorized the magistrate to make a preliminary review of a prisoner's petition in order to determine whether an evidentiary hearing should be held by a judge of the court.

In that case, the Chief Justice and Justice White, in dissenting from the majority opinion, suggested that because of the action taken by the majority of the Court, it was in order for the Congress to restate its intentions if its declared objectives are to be carried out.

In my view, the declared objective of the Congress when it passed the Magistrates Act in 1967, was to create in the magistrate a judicial officer who could perform various judicial duties, both in his own right and when authorized by the court in certain cases and proceedings in which the magistrate's work would be under the supervision of the judges.

Congress felt that such an office was necessary in order to assist the judges of our district courts in meeting their responsibility to handle an ever-increasing caseload.

In hearings held by this subcommittee on the Omnibus District Court Judgeship bill in the last Congress, the chief judges of 44 of the

94 Federal judicial districts personally appeared and testified before the subcommittee.

The overwhelming majority of the chief judges who testified stated that the magistrates were of great assistance to the court in handling certain pretrial matters in both civil and criminal cases and were of the greatest assistance to the court in handling petitions brought by prisoners from both State and Federal institutions.

Regardless of the construction that may be given to the Congress' intent in 1967, it is my belief that the magistrate system over the past 5 years has proven to be a valuable part of our Federal judicial system.

It has been proven that magistrates can handle a large variety of pretrial matters which are necessary in the preliminary processing of both criminal and civil cases, in order to get the case ready for trial before a judge of the court.

It is alse clear that the magistrates must have the unquestioned authority to hold evidentiary hearings in prisoner petition cases when such matters are assigned to him by a judge of the court exercising the discretion given to the judge under section 636(b) of the statute.

After introduction of S. 1283, the staff of this Subcommittee, in conference with representatives of the Judicial Conference of the United States, worked out an amended version of the bill which I introduced as printed amendment No. 589. I would suggest that in our hearing today we confine ourselves to the language as set forth in the printed amendment.

Before calling our first witness we will receive for the record copies of S. 1283 and printed amendment No. 589. There will also be included at the end of the hearing record correspondence which has been received from Judge Robert C. Belloni, of the District of Oregon, and from Judge Harry W. Wellford, of the Western District of Tennessee.

[The bill S. 1283 and printed amendment No. 589, follow:]

[S. 1283, 94th Cong., First sess.]

A BILL To improve judicial machinery by further defining the jurisdiction of United States magistrates, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 636(b) of title 28, United States Code, is amended to read as follows:

"(b) (1) Notwithstanding any provision of law to the contrary, a judge may designate a magistrate to hear and determine, subject to review as hereinafter provided, any pretrial matter pending before the court except motions which are dispositive of the litigation, the disposition of which the magistrate may recommend, but not order. A judge may also designate a magistrate to conduct evidentiary hearings and make recommendations for the disposition of applications for post-trial relief made by individuals convicted of criminal offenses and prisoner petitions challenging conditions of confinement. Upon timely request, as fixed by local rule of court, by any party who has appeared before the magistrate, either personally of by submission of affidavits or brief, the court shall hear de novo those portions of the report or specific proposed findings of fact or conclusions of law to which objection is made.

"(2) A judge may designate a magistrate to serve as a special master pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts. A judge may designate a magistrate to serve as a special master in any civil case, upon consent of the parties, without regard to the provisions of rule 53(b) of the Federal Rules of Civil Procedure for the United States district courts.

"(3) A magistrate may be assigned such additional duties as are not inconsistent with the Constitution and laws of the United States.

"(4) Each district court shall establish rules pursuant to which the magistrates shall discharge their duties.".

[S. 1283, 94th Cong., First sess.]

AMENDMENT Intended to be proposed by Mr. BURDICK to S. 1283, a bill to improve judicial machinery by further defining the jurisdiction of United States magistrates, and for other purposes, viz: Strike everything after the enacting clause and insert in lieu thereof the following:

That section 636(b) of title 28, United States Code, is amended to read as follows:

"(b)(1) Notwithstanding any provision of law to the contrary—

"(A) a judge may designate a magistrate to hear and determine, any pretrial matter pending before the court, except a motion for injunctive relief, for judgment on the pleadings, for summary judgment, to dismiss or quash an indictment or information made by the defendant to suppress evidence in a criminal case, dismiss or to permit maintenance of a class action, and to involuntarily dismiss an action for failure to prosecute or for failure to comply with an order of the court. A judge of the court may rehear any pretrial matter under this subsection where it has been shown that the magistrate's order is clearly erroneous or contrary to law.

"(B) a judge may also designate a magistrate to conduct hearings, including evidentiary hearings, and to submit to a judge of the court proposed findings of fact and recommendations for the disposition, by a judge of the court, of any motion excepted in subsection (A), of applications for post-trial relief made by individuals convicted of criminal offenses and of prisoner petitions challenging conditions of confinement.

"(C) the magistrate shall file his proposed findings and recommendations under subparagraph (B) of this subsection, with the clerk of the court, who shall forthwith mail a copy to all parties. Within twenty days after being served with notice of the filing, any party may serve and file written objections to such proposed findings and recommendations, together with a motion applying to the court for action on such proposed findings and recommendations. The motion shall be determined by a judge of the court who may accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate. The judge may also receive further evidence or recommit the matter to the magistrate with instructions.

"(2) A judge may designate a magistrate to serve as special master pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States District Courts. A judge may designate a magistrate to serve as a special master in any civil case, upon consent of the parties, without regard to the provisions of rule 53(b) of the Federal Rules of Civil Procedure for the United States District Courts.

"(3) A magistrate may be assigned such additional duties as are not inconsistent with the Constitution and laws of the United States.

"(4) Each district court may establish rules, consistent with this subsection (b) pursuant to which the magistrates shall discharge their duties.".

I will now call Judge Charles M. Metzner of the Southern District of New York, who is chairman of the Judicial Conference Committee on the Magistrates System.

Welcome to the committee, Judge.

STATEMENT OF HON. CHARLES M. METZNER, JUDGE, U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

Judge METZNER. Mr. Chairman, my name is Charles M. Metzner, I am a judge in the U.S. District Court for the Southern District of New York, located in New York City. I am presently chairman of the Judicial Conference Committee on the administration of the Federal magistrate system.

I have been chairman since 1971 and a member of the Committee, since its formation in 1969.

I appreciate the opportunity to appear today in support of S. 1283, to broaden and clarify the jurisdiction of the U.S. magistrates. This is very important legislation for the Federal judiciary. It deserves favorable consideration by the Congress.

Mr. Chairman, the first call on judges' time should be to try cases and hear important matters, such as preliminary injunctions. Our traditional procedures of making the judge available for practically every possible application for relief and every preliminary proceeding in a case can no longer be justified.

The Judicial Conference believes that the greatest possible use must be made of U.S. magistrates if the district courts are to cope with their growing caseloads.

The growth in the size of the Federal judiciary over the last 10 years has been proceeding at a phenomenal rate. On June 30, 1964, there were 289 district judges, with annual combined civil and criminal filings of 98,000 cases.

On June 30, 1974, there were 400 district judges, with combined annual civil and criminal filings of 143,000 cases. With this rate of growth we can expect to require a trial bench of 560 judges 10 years from now, and the annual combined civil and criminal filings of about 200,000 cases.

The Congress has added a number of new fields of litigation creating responsibilities and duties which never existed before. The full impact of this legislation has not as yet been felt by the courts.

The pressure has been compounded with the recent enactment of the Speedy Trial Act. It is mandatory that the district courts make greater use of their magistrates if the guidelines of the bill are to be achieved without further drastically increasing the size of the judiciary.

It is our considered judgment that we cannot continue to cope with this problem by increasing the number of district judges and the supporting staffs of law clerks, secretaries, court clerks, court reporters and other employees, with the concomitant need for huge additional physical space.

The use of magistrates to handle preliminary judicial matters in Federal litigation enables district judges to devote more time to the trial of cases, the writing of opinions and other essential functions.

The Federal Magistrates Act was signed into law in October of 1968, and the magistrate system was implemented in all Federal courts by July 1, 1971. We thus have 4 years of experience in the Federal judiciary with this system of new Federal judicial officers.

The Act was designed both to create an upgraded lower tier of judicial officer, and to cull from the evergrowing workload of the U.S. districts courts matters that are more desirably performed by a lower tier of judicial officers.

The jurisdictional provision of the Federal Magistrates Act, found at section 636 of title 28, United States Code, contains two basic grants of authority to U.S. magistrates in subdivisions (a) and (b).

Under section 636(a) magistrates are given authority to perform all the duties of the former U.S. Commissioners, such as administering oaths; taking acknowledgments, affidavits and depositions; issuing arrest and search warrants, setting bails on persons charged with criminal offenses; and issuing commitment and release orders with respect to the custody of the persons so charged.

They may also conduct trials of minor offenses where designated by their appointing district court. The term minor offense is defined in section 3401 of title 18, United States Code, as a misdemeanor punish-

able under the laws of the United States, the penalty for which does not exceed imprisonment for a period of 1 year, or a fine of not more than $1,000, or both.

Mr. Chairman, the language of the draft bill, S. 1283, does not affect the jurisdiction given to magistrates under section 636(a).

I should point out, however, that the Judicial Conference has requested Congress separately to raise the fine limitation set forth in 18 U.S.C. 3401 from $1,000 to $5,000 and also to eliminate the requirement that a defendant in a petty offense case consent in writing to trial before a magistrate, rather than a district judge.

S. 1283, rather, is confined to section 636(b) of Federal Magistrates Act. The present section permits United States district courts to delegate additional duties to magistrates, including the preliminary review of prisoner petitions, the conduct of pretrial and discovery proceedings, service as a special master, and such additional duties as are not inconsistent with the Constitution and the laws of the United States.

Under authority of section 636(b), magistrates are presently performing very important judicial duties for the district courts around the country and are expediting the disposition of criminal and civil cases.

Magistrates are now used to assist the judges by performing additional duties in civil and criminal litigation in virtually all districts where there are full-time magistrates.

During the fiscal year 1974, the magistrates filed written reports and recommendations on 7,455 prisoner petitions. They conducted 15,743 civil pretrial conferences, reviewed 5,985 discovery and other motions in civil cases, submitted 367 special master reports to judges, and filed reports and recommendations in 277 social security appeals.

Magistrates also conducted 6,313 pretrial conferences in criminal cases, and conducted 13,996 arraignments under rule 10 of the Federal Rules of Criminal Procedure.

Although most district courts have delegated important duties to magistrates, a wide diversity of view has developed among the courts of appeals as to the appropriate scope of duties which may be delegated under the present section 636(b).

Some of these decisions appear to limit the use of magistrates, contrary to the original intent of the Congress. The Supreme Court, in the recent case of *Wingo* v. *Wedding*, 418 U.S. 461 (1974), held that a U.S. magistrate was not empowered to conduct an evidentiary hearing in a habeas corpus case.

The decision was limited to a narrow statutory question, however, and did not resolve several outstanding jurisdiction issues.

The Judicial Conference believes that it is time to seek legislative amendment to section 636(b). Significantly, the Chief Justice, in his dissent in the *Wingo* case, expressly invited the Congress to clarify the statute:

> In any event, now that the Court has construed the Magistrates Act contrary to a clear legislative intent, it is for the Congress to act to restate its intention if its declared objectives are to be carried out.

The Comptroller General submitted a report on the magistrates system to the Congress on September 19, which recommended in part that the Congress further define the authority of magistrates

and expand the trial jurisdiction of magistrates to include most misdemeanors.

At the urging of Chief Justice Warren E. Burger, a committee was appointed, of which I was a member, to observe the use of masters in the English judicial system.

The report of the committee demonstrates the ability of masters to handle virtually all civil pretrial matters in England. We are confident that the English experience can be successfully duplicated in this country through the use of magistrates.

Essentially the magistrate is a judicial officer. He discharges his responsibilities qua magistrate, and this is made clear in the proposed subsection 636 (b) (1). Any other responsibilities, such as a special master assignment, are set forth in a separate subdivision of section 636 (b).

It was the lack of clarity in expressing this concept that led to many of the judicial decisions limiting the use of magistrates contrary to what appeared to have been the intent of Congress.

In any event, the proposed language clarifies what we think was the original intent in creating the Office of Magistrate and expands his duties.

Our experience over the past 4 years has shown that magistrates are fully capable of discharging the duties envisioned by this extension of jurisdiction.

Mr. Chairman, if S. 1283 is enacted into law, the magistrates in every judicial circuit will be permitted to play a major role in expediting civil and criminal litigation in the district courts.

They will be empowered to conduct all pretrial conferences and hear any pretrial motion or matter in the district court. This includes dispositive motions such as for summary judgment in a social security case or to suppress evidence in a criminal case, as well as nondispositive procedural and discovery motions. They may conduct evidentiary hearings in prisoner cases. They may continue to serve as special masters and perform any other duty not inconsistent with the Constitution and laws of the United States.

Proposed subsection (b) (2) would allow a magistrate to serve as a special master in any civil case filed in the district court where the parties consent to the reference.

Under the proposal, a magistrate could hear and determine any pretrial matter that is not essentially dispositive of the litigation. A review of the determination may be had on a showing that it is clearly erroneous or contrary to law. In the dispositive area of pretrial proceedings, habeas corpus, and prisoner petitions, the magistrate would hear the matter but could only recommend a disposition to a judge.

This limitation has been provided to avoid the possible constitutional objection that only an article III judge may ultimately determine the litigation. Although there is respectable authority that finds congressional power sufficient to avoid any constitutional objection, we do not feel that it is necessary at this time to raise the issue.

A review of the magistrate's recommendations may be requested by a party finding himself aggrieved, and the court may accept, reject, or modify the recommendation.

The inherent justification of S. 1283 is evident when we consider the huge proportion of civil cases which are disposed of without meaningful intervention by judges. The figures for the fiscal year of

1974 show that only 8,382 cases were disposed of by court or jury trial out of a total of 96,701 civil cases.

This amounts to 8.7 percent. There is no doubt that many more cases are disposed of without trial because of the active intervention of the court.

However, even the most liberal experience would show that these would not rise to 25 percent of the total. These 25 percent would continue to require meaningful judge intervention, but the remaining 75 percent would not be there for his attention under any circumstances. Finally, we see in this proposal a start in reducing the enormous amount of paperwork now required by our procedures. There is no reason why a pretrial conference may not eventually be heard by a magistrate and counsel with the only piece of paper being the resulting order entered to guide counsel toward the ultimate trial, if one is necessary.

This is exactly what we found happened in the English system when the master conducted pretrial a conference.

Mr. Chairman, I would suggest several amendments to the proposal, to which these remarks are addressed. Since the listed exceptions in subparagraph (A) of subsection 636 (b) (1) refer to matters which are or may be dispositive of the litigation, I would add a motion to dismiss the complaint.

A motion to dismiss for failure to state a claim or for lack of subject matter or personal jurisdiction is as dispositive as one for summary judgment or judgment of the pleadings.

On the other hand, I would omit a motion to dismiss an action for failure to prosecute. This is essentially a docket clearing procedure which does not need judicial supervision.

The docket entries will clearly reflect the lack of activity in the case, and the magistrate should be empowered to dismiss without further ado or upon such conditions as the facts justify.

Finally, the proposal provides a detailed procedure in subparagraph (C) for reviewing recommendations by a magistrate in matters sent to him pursuant to subparagraph (B). I am not referring to the standard of review—only the steps to be taken to obtain review. No such detail is provided for matters covered by subparagraph (A). There the procedures to review matters under subparagraph (B) should also be left to local rule. Frankly, rigidity in this area is counterproductive.

The bill provides that each district court may establish rules for the discharge of a magistrate's duties. This requirement is found in the existing law. Experience has shown that districts have different local procedures based on established practices and needs; and all districts do not use magistrates in the same fashion. Local rules permit a court to adapt the system to best serve its local needs.

Thank you for the opportunity of appearing here today. If there are any questions, I shall be glad to try to answer them.

Senator BURDICK. Thank you, Judge, for your contribution this morning.

In my opening statement, I referred to an amendment that had been filed for this bill. Have you seen the content of that amendment?

Judge METZNER. I have seen the content of the printed amendment, yes.

My remarks were addressed to the statement which I think appeared on July, or June 27, if my date is correct. And that is what I was addressing these remarks to.

Senator BURDICK. Do you think that the amendment will take care of the objections that you raised?

Judge METZNER. I think that the amendment which I had an opportunity to talk with Mr. Westphal about this morning would take care of the main objection.

I had one other that we have not had a further opportunity to talk about. We might have later, about the procedural situation.

Senator BURDICK. Well, I will let you and Mr. Westphal talk about it now.

Judge METZNER. Fine.

Mr. WESTPHAL. Let us take your suggested amendments in order, if we could. Your first suggestion is that there should be a change in those motions that are expressly excepted in subparagraph (A).

And your suggestion is that we add a motion to dismiss the complaint, and you give three examples of types of motions that you think should be expressly excepted.

The first example you give is a motion to dismiss for failure to state a claim upon which relief can be granted. Second you give a motion for a lack of jurisdiction over the subject matter, and third, you give a motion to dismiss for a lack of jurisdiction over the person.

And you suggest that they should be, all three of them, added to the list of motions that are expressly excepted from the magistrates power to hear and determine as given under subparagraph (A) of the section.

Now, I handed you briefly a copy of a proposed amendment, which, Mr. Chairman, I would like to have included in the hearing record at this point.

Senator BURDICK. Without objection.

[The information referred to follows:]

"Subsection (b)(1)(A) of sec. 636(b) of title 28 United States Code is amended to read as follows:

"(b)(1) Notwithstanding any provision of law to the contrary

"(A) A judge may designate a magistrate to hear and determine any pretrial matter pending before the court, except a motion for injunctive relief, for judgment on the pleadings, for summary judgment, to dismiss or quash an indictment or information made by the defendant, to suppress evidence in a criminal case, to dismiss or to permit maintenance of a class action, to dismiss for failure to state a claim upon which relief can be granted in which motion matters outside the pleadings are presented, and to involuntarily dismiss an action for failure-to-prosecute or for failure to comply with an order of the court. A judge of the court may rehear or redetermine any pretrial matter under this subsection where it has been shown that the magistrate's order is clearly erroneous or contrary to law.

Mr. WESTPHAL. And in our discussion this morning of that language, you will note that the underscored language would include, as an excepted motion "a motion to dismiss for failure to state a claim upon which relief can be granted, in which motion, matters outside the pleadings are presented."

Now, that language would include only those motions to dismiss for failure to state a claim which are considered upon matters presented either by affidavit or by deposition or by interrogatories outside of the pleadings themselves.

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In our colloquy this morning, prior to the time that this hearing started, you indicated that that type of a motion is, under the language in rule 12(b), expressly deemed to be the equivalent of a motion for summary judgment.

Your suggestion in our discussion this morning was that we should not limit it firmly to that type of a motion, but that we should include in this exception any motion to dismiss for failure to state a claim upon which relief can be granted, whether matters outside the pleadings are considered or not.

Is that basically the suggestion?

Judge METZNER. That is right, Mr. Westphal.

Mr. WESTPHAL. I think it would help our hearing record if you could expand a little bit on your reasons why you feel that this exception should not be limited only to those motions in which matter outside the pleadings are considered.

What has been the experience that you yourself have had in your particular court in the Southern District of New York?

Judge METZNER. The motion to dismiss for failure to state a claim upon which relief can be granted as referred to in rule 12(b)(6), has been used more and more in the complicated litigation that we are now facing.

As you know, over the last 10 years, the number of cases brought under the Securities Act of 1933 and 1934 has greatly increased, and especially in the last year with the stock market gyrations.

The court is really deluged with that type of litigation today: mergers, consolidation, cases where corporations have gone public, as we call it, now are going private. The complaints are not the short form complaint envisioned by the Federal rules. They are long form complaints. They are running 20, 30, 40 pages. Similarly, you find in massive antitrust litigation, the complaints are long.

In every one of the cases I have assigned to me, and I think it would be the experience of my colleagues throughout the country, who have the same type of litigation, motions to dismiss are regularly made, to dismiss for failure to state a claim upon which relief can be granted.

Our court of appeals has reviewed the district court determinations in such matters on the grounds that they are setting forth law for the future and consequently we look upon these motions as just as important as motions for summary judgment.

I think that the statistics will show, and I would like to check them, and furnish them to you, if I may, that there is an increase in motions made in the Southern District of New York to dismiss a complaint for summary judgment. This is raising important legal issues, which we think are just as important as judgments for summary judgment.

Motions for summary judgment, frankly, are easier motions to decide than a motion to dismiss a complaint. In a motion for summary judgment you merely need to show that there is some issue to be tried.

You can go through those papers and the affadavits and if there are depositions or answers to interrogatories, you can find some issue which is raised requiring a determination, and the motion must be denied.

Whereas, in a motion to dismiss the complaint, we find that you spend a tremendous amount of time and legal research to come up with what we hope will be a direct answer at the nisi prius level.

Mr. WESTPHAL. If we assume for the purposes of our discussion that your argument is as persuasive upon the subcommittee as it is upon me, would your point be taken care of if we were to delete from that new language in the draft of the proposed amendment in subparagraph (A), the language after the word "granted" so that this exception would be as broad as it can be, in that it would read "to dismiss for failure to state a claim upon which relief can be granted."

Judge METZNER. Yes, it would.

Mr. WESTPHAL. Now, then, your second suggestion is that there be excepted from the power of the magistrate to hear and determine pretrial matters, motions to dismiss for lack of jurisdiction of the subject matter, or for a lack of jurisdiction of the person.

Now, these are motions which are essentially based upon a legal question with very limited fact questions involved in the consideration of that motion. Is that not basically true?

Judge METZNER. I think that would be true of a motion to dismiss, for a lack of subject matter jursidiction. I do not think it would be true of a motion to dismiss for a lack of personal jurisdiction.

Frequently, it is necessary to have testimony taken as to proper jurisdiction of the defendant.

Mr. WESTPHAL. But the fact question involved there is relatively simple. The marshal either got service on the person, or some kind of substitute service of the individual authorized by statute or there was service by publication if allowed by law. And while there may be some nuances in the facts, it should be a relatively simple question for a magistrate to determine. Especially since in many of these types of cases there are well-established judicial precedents.

Judge METZNER. I think that is true, Mr. Westphal.

Mr. WESTPHAL. In any event, once the magistrate has heard and determined a motion to dismiss for want of jurisdiction in the subject matter or of the person, an aggrieved party can always ask for a rehearing or redetermination by the district court judge. Is that not true?

Judge METZNER. Under your proposal, if these two are not included, then there would be a review under a clearly erroneous and contrary to law standard.

Mr. WESTPHAL. And is that not acceptable?

Judge METZNER. I would think that both would be satisfactory.

Mr. WESTPHAL. Your second suggestion for an amendment to the language contained in the printed amendment is to delete on line three of page two the inclusion of a motion to dismiss for failure to prosecute.

You suggest that this is largely a routine motion where the clerk's docket itself indicates that there has been a failure to prosecute.

The draft language which I handed to you this morning does include your suggestion for deleting the words for failure to prosecute.

Judge METZNER. That is right.

Mr. WESTPHAL. And that would take care of your suggestion there?

Judge METZNER. Right.

Mr. WESTPHAL. Now, Judge Metzner, your last suggested amendment relates to the fact that in subsection (C) of the printed amendment there is a detailed procedure for review of the proposed findings and recommendations made by the magistrate, pursuant to his au-

thority under subsection (B), you object to the procedure spelled out there, as too rigid, and that it does not permit sufficient flexibility.

And you suggest, rather than having the statute specify the procedure, that this is a matter that should be left by the Congress to local rules of court.

That raises several interesting questions. In the first place, I think that you will recognize that the procedure specified in subsection (C) is essentially that procedure that is specified in rule 53 in order to obtain review of a proposed finding and report of a special master.

You recognize that?

Judge METZNER. Certainly.

Mr. WESTPHAL. So that if this is too rigid in our amendment to this bill, then it necessarily must be too rigid in rule 53 (b). Is that not true?

Judge METZNER. Well, you are dealing with essentially a different problem. In rule 53, you are dealing with a special master, who is a non-judicial officer, a lawyer outside of the system. You are dealing with hearings outside of the system. You are dealing with bringing before the court a report of the special master for judicial approval.

When you are talking about magistrates, you are talking about people within the system, within the very same building. I can best give you an example as to how we do it to show you how simple it is.

Copies of the magistrate's report are simultaneously sent to the judge and to counsel by the magistrate. That report has a concluding paragraph in it which says that if you have any objections to this report, you shall file them with the court within ten days.

These papers are then taken by my secretary and held for 12 days. We do not hold them to the strict 10-day rule. If any objections come in, she brings the papers in to me and I review them and decide it. If no objections come in, I merely sign the magistrate's order.

It is as simple as that. The clerk does not get involved in it. The magistrate sends them directly to the judge, the parties are notified to file their papers directly with the judge and when it is all finished, it is brought down to the clerk's office, where the papers are docketed and filed.

Now, we do that because it is simple for us. We would not do it with special masters, because we are dealing with somebody outside of the system, when we are dealing with a special master. True, he is appointed by the court, he is a private attorney, he is getting paid a fee by the parties, and more formality is needed.

But, frankly, in this area, I think that you will find, and as I say, I can only talk for my court, but there are 10 members of my committee, so that each judicial circuit is represented on the committee, and they have all agreed that they find that the more procedure fixed by local rule is best.

Each district seems to have different problems. The lawyers are used to working one way and the judges are used to the same procedures so that North Dakota could be entirely different from the Southern District of California.

Mr. WESTPHAL. The same might have been true with reference to a special master under rule 53, except for the fact that back in 1937 or 1938, they specifically tied down the procedure which should be followed in order to take exceptions to the report of a special master.

Had they not done that, you could have had a different procedure grow up in every one of the districts, as you suggest that we allow to be done now, under this power given the magistrates.

Judge METZNER. You are permitting it in the so-called nondespositive area. There is no provision in Senate 1283 for procedures for reviewing what we would call the nondispositive motion, that is being left to local rule. And we see no reason why the so-called dispositive ones should not also be left to local rule.

Mr. WESTPHAL. May I suggest this reason then as being the intent behind the draftsmanship of that structure and the difference between the review accorded under subparagraph (A) matters, that is in the pretrial motion, and the review specified herein for review of the so-called dispositive matters which are included in subparagraph (B), the difference being this: In subsection (A) the magistrate is given the power to hear and determine. He is a judicial officer. Intent is that he shall have an adjudicating power that is final except for such review as the judge, in his discretion may want to give it after the parties make a motion asking for that review, claiming that the magistrate's determination was clearly erroneous, or contrary to law.

Now, what the intent is, and I think that we were all in agreement on that, is that that power to hear and determine should not extend to the so-called dispositive motions, which are motions for summary judgment, to dismiss an indictment, to dismiss an action, and all of these other kinds of dispositive motions. Including evidentiary hearings in prisoner petition matters.

Now, they were excluded from the magistrate's power to hear and determine and they were included in that part of the statute which would give to the court the discretion to give that type of case to a magistrate to take evidence if need be and to fully hear and consider the motion and to then make proposed findings and recommendations to the judge of the court, which is basically the same thing that a special master does.

The intent clearly is that because these more important motions, about which both the bench and the bar are a little bit sensitive at this time, about having a magistrate handle, that we should have a different method of review which is on this exception basis, specified in the statute.

Now, that is one reason why the printed amendment specifies a specific procedure for obtaining review of dispositive orders. But, it does not have any procedure for the more routine pretrial matters determined by the magistrate.

And the advantage now, of having that difference in particularly of specifying the procedure under subsection (C) is that the bar of the country will know exactly what procedure they have to follow if they feel aggrieved by any proposed findings or order. And it would be the same procedure in all 94 districts.

There will be this advantage of uniformity to it. And, what I think is most important, it removes all doubt from the minds of the lawyers as to what procedure they have to follow when they feel aggrieved by that type of an order.

Now, you accept that as a reason for the distinction between the two?

Judge METZNER. I really cannot, Mr. Westphal, because I think we are talking more about form, than we are of substance. I think

that it is more important that in each district the matters proceed as those districts over the years have found to be most efficient for their particular district.

Second, you find very few, percentage wise, lawyers practicing in more than one district.

Third, we in our district, and I am sure it must be true in other districts throughout the county, do not permit an out-of-district lawyer to proceed in the court without designating local counsel, whose job it is to tell the attorney of record, what the procedures are in that district.

I am sure that this is a much easier and more efficient way of doing it. Now, let me give you an example. You recall, when we first talked in May, there was a 10-day time for the clerk——

Mr. WESTPHAL. Let us not get into the 10- or 20-day matter because that is a separate amendment.

Judge METZNER. This is part of the problem of a stratified procedure.

Mr. WESTPHAL. I understand, but we can take up the difference between 10 days or 20 days after we finish our discussion of this point that we are on now. May I suggest on the point which you raise of how review is obtained under matters decided under subparagraph (B) that that be left to local rules. One of the problems that I see is that the local rules of the district courts are not very well promulgated. They are not published in West's Annotations, with any degree of accuracy. If they are published in there, it takes a year and a half for West's to pick up any change or amendments.

It may be very easy in the Southern District of New York, for almost any lawyer who comes before your bar to know what your local rules are and to pick up a pamphlet about them.

But it is quite a different problem out in Minnesota, where I practiced. My practice got me into courts in North Dakota and in South Dakota and in Wisconsin and in Iowa. It is an awful problem for a lawyer in those parts of the country to know just what is the procedure specified in the local rule of a federal district court, even if it is his home court, so to speak. So, I think that there is a great advantage to the bar of this country. I think Congress would be doing a great favor to the practicing lawyer in this country by specifying an exact procedure which he is to follow if he wants to obtain a review of a magistrate's recommended disposition of one of these very important matters. Congress, by enacting this legislation, is saying to 400 judges in this country in 94 districts, you have the discretionary power to allow the magistrate to hear that.

Now, if you are going to leave some things to local discretion, I do not think that the procedure to obtain a review of that is a matter that we should leave to local discretion, because it would be too much variance from district to district.

One of the purposes of the Federal Rules of Civil Procedure is to achieve a degree of uniformity. Now, if we are going to allow local courts to specify the size of the juries in civil cases, under local rules, if we are going to allow them to specify what little nuances of procedure there will be in obtaining review of these things, we are losing some of this uniformity that we have started out 35 years ago, or 37 years ago to try to get.

Judge METZNER. In your last example, the move to a six-man jury was done by local rule by Judge Devitt in Wisconsin, was it not?

Mr. WESTPHAL. Judge Devitt in Minnesota. That is the very point.

Judge METZNER. And it spread throughout the country, and I think we are all using it. But there are a number of magistrates who are here today. I do not know which ones are going to testify, but you might ask them as to their feeling. I can only give you my feeling, and actually, it is not just my personal feeling; it is the feeling of the committee.

As I say, the committee has 11 members, so each of the 11 circuits are represented on the committee, and they all felt that this was the best way to do it. I cannot say any more than that, Mr. Westphal.

Senator BURDICK. Was that unanimous?

Judge METZNER. Yes.

Mr. WESTPHAL. Now, on the matter of a procedure specified under subsection (C), whether the time within which a party must take exception to a proposed report of the magnistrate should be 10 or 20 days. All I can say, Judge, is that our original draft of th s revision had 10 days in it. In the meeting in May to which you referred, when you and I and Judge Galdy and Judge Winter sat down and discussed this very thing, as I recall, three of you were unanimous in suggesting to me that 10 days were too short.

Judge METZNER. I accepted, Mr. Westphal. Judge Winter was the one that carried the burden on that, when he said in Colorado, you could not rely on 10 days delivery of the mail.

Mr. WESTPHAL. Sir, we decided in the final language that was introduced, in the printed amendment by the chairman of this subcommittee, that we would go to the 20-day time limit, as desired by Judge Winter.

Now, I think there is a feeling that we should go back to 10 days.

Judge METZNER. No, I am sorry. My comment of the 20 days before was in the area of a rigid procedure that you must do it this way, whereas some districts may feel that 10 days is sufficient, and some may feel 20. I had no views on the 10 or 20 days, specifically. I have heard that there are judges who feel that 20 days is too long, that it should only be 10. On the other hand, I heard Judge Winter say to you that 10 days was not sufficient in Colorado, so in that area, I really have no point of view, except that I suppose retreating to my original position, is it not better to let each district do it as is best for their procedures?

Senator BURDICK. Judge, would you take 15?

Judge METZNER. I always compromise down the middle. I really have no feeling on 10 or 20, per se, or 15.

Mr. WESTPHAL. Well, Judge Belloni, in the statement he filed with the subcommittee, or I believe, a letter transmitting it, said that on second thought, he thought that 20 days was too long, even on these important dispositive motions, and that, for the sake of uniformity if nothing else, we should try to keep it at the same time limit, as in rule 53, as it started out originally. So that if a time limit is to be specified, would you agree that 10 days is preferable to 20 days?

Judge METZNER. I personally would favor 10. I do not know if the section says within 20 days after being served with notice of the filing. Service is that date of mailing, and if you mail on the 7th, and it happens to be a Friday, and because of the way mails are delivered today, you do not receive it until the following Tuesday or Wednesday, you have a pretty short time to come up with objections in a serious matter, such as summary judgment or dismissal of a complaint.

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Mr. WESTPHAL. But in any event, Judge, the court has, under rule 6, the inherent power to extend any time limit such as this. And if you have a matter of that importance, and if 10 days is too short, then it seems to me that the magistrate can, at the end of his proposed order that he sends to the parties, state that the time specified is extended for an additional period of days. He can just start out that way if he foresees it, and I am sure that if any counsel gets caught, he could get an extension of time quite easily by a phone call or something else.

Judge METZNER. Oh, yes. In fact, I think I indicated in my remarks that, while the magistrate's report would say that you have 10 days in which to file objections, my secretary does not give me the papers until 12 days. Automatically, she adds 2 days on for late delivery, and so on. And I do not think anybody is going to be tight in that area. Except my problem is that when you write it into a statute, sometimes things get more rigid than when you do not have the procedures set forth, and you can have this ease of procedure that I have indicated.

The magistrate, if he says in his report that you shall have 15 days to answer, he is, in effect, then, applying a local condition time, rather than the statute time. And I suppose that that is essentially what I am pleading for, in allowing the local rules to fix the procedure.

Mr. WESTPHAL. My question is suggesting that the magistrate would not routinely extend the time to 15 days. unless he had a district in which the mail service was so bad, as Judge Winter claims it is out in Colorado, that he would just put out a standing order that would be 15 days. Now, I do not know that that problem pertains in every district. But in any event, the court has the power to do it.

I do not want to extend this, because neither you nor I can resolve this question. It will have to be resolved in subcommittee, but just so that we can get the question posed, the standard, or procedure for review recommended by the Judicial Conference in their language, which was in the original bill, 1283, which was introduced by request, is as follows:

> Upon timely request, as fixed by local rule of court by any party who has appeared before the magistrate, either personally or by submission of affidavits or brief, the court shall hear, de novo, those portions of the report or specified findings of fact or conclusions of law to which objection is made.

I would suggest, Judge Metzner, that the choice for the subcommittee is to decide which procedure in this area serves the interests of the bar and the bench alike, that which you claim to be a too rigid procedure, specified in the printed amendment language, or that which I suggest is too vague and indefinite language employed in the Judicial Conference recommendation, because under your language you will always have a question of what is the time limit. They will always be dependent upon local rules, and there will be no advantage of uniformity. You have the further question of, whether a party who submits an affidavit as a friend of the court is also one who can object. And you also have the question involving the use of de novo. So I think that the question for the subcommittee has got to be just that simple: is one too rigid, or is the other too vague? What best serves the interests of both the bench and the bar, in order to have an effective and efficient administration of justice?

Judge METZNER. May I add something for the record? I have taken the liberty of amending subparagraph (C), as I think it would conform with my provision and suggestion. May I read it into the record, so that you will have it before you.

Mr. WESTPHAL. Certainly.
Judge METZNER [reading]:

Subparagraph (C). The magistrate shall file his proposed findings and recommendations under subparagraph (B) of this subsection with the court, and shall forthwith mail a copy to all parties. Any party may serve and file written objections to such proposed findings and recommendations as provided by the rules of the district court. The judge of the court may accept, reject or modify in whole or in part the findings or recommendations made by the magistrate. The judge may also receive further evidence or recommit the matter to the magistrate with instructions.

Now, that is my version of what I am urging.

Mr. WESTPHAL. The record then will contain three choices for the subcommittee, and you do not have that language printed—is that just hand-drafted now?

Judge METZNER. Hand-drafted on the plane coming down last night, but I will type it up and send it to you, Mr. Westphal.

Mr. WESTPHAL. Well, I wish that we had it typed up. Then we could have some colloquy on it. I did not catch it as you dictated it there.

Mr. Chairman, I have just a couple of short questions, and then I will be finished with Judge Metzner.

In your statement, you suggest that it would be desirable to have the petty offense jurisdiction of the magistrate expanded to include offenses punishable up to a fine of $5,000. In view of the fact that there is now pending before the Senate a bill known as S. 1 which would revise practically all of title XVIII and redefine all of the punishments and the names and classifications of some of the offenses, do you not think that it is desirable for the Congress to wait to see what happens to S. 1 before any attempt is made to alter that provision?

Judge METZNER. The only reason we asked that it be put in, Mr. Westphal, was that we were told that S. 1 was sort of floating around, and was not being pinned down, and we thought that perhaps this could be done more promptly, in an easier fashion. But obviously, it is the Congress' wish as to how they would like to do it.

Mr. WESTPHAL. The other problem was that the Judicial Conference recommended a bill which simply proposed to strike $1,000 and insert in lieu thereof $5,000, and when we had a computer printout of every offense that was punishable by up to $5,000, we found, No. 1, that you could not even get an accurate list of every offense that fell within the $5,000 category; and secondly, that that list included a lot of offenses which there may well be some policy question about as to whether you want to give jurisdiction over those offenses to a magistrate, or whether you want them to be retained within the jurisdiction of the court judge.

But in any event, it would seem to me that it is not easy to accomplish that kind of a change.

Judge METZNER. I suppose that more and more we are coming across cases—I had one involving a boat landing in a navigable stream, and the fine was more than $1,000, and this poor fellow had to go through a whole formal procedure in order to pay a $2,000 fine.

But I think that this is a matter of policy for the Congress, and all we can do is urge our position.

Mr. WESTPHAL. Judge, on page 5 of your statement, you suggest that "most of the district courts have delegated to magistrates the discretionary duties under section 636(b)." We did a little research

looking at the 1974 statistics, and it is rather interesting that there are 12 districts in the country where the court has not assigned any criminal case conferences, motions, or anything else under 636(b) to their magistrates. There are 13 districts where they have not used the magistrate for any kind of a civil motion, or pretrial conference of any kind. And there are 13 districts where they have assigned less than 10—most 1 or 2 cases a year—to the magistrate in that area. And yet some of these districts that are included are districts which have, through the Conference and otherwise, come to the Congress and said that they are so busy that they need additional judges. And yet they are not making any use of the discretionary authority of the magistrate, under section 636(b).

I could name a few of them for you: Northern and Southern Districts of Indiana, Eastern District of California, the Northern District of New York, the Middle District of Pennsylvania, the Eastern District of North Carolina, the Eastern and Western Districts of Virginia, and the Northern District of Florida.

Now, my question to you is, do you have any suggestion as to how these courts, and some others, who make very little use of the magistrates, can be made to realize that the magistrate is intended by the Congress to be an additional officer who can be of great help to the judges in the process and business of the court. What suggestion would you have?

Judge METZNER. Mr. Westphal, thank you for asking the question, because I am able to say that I think we have made steps in that direction. At the meeting of the Judicial Conference last March, my committee, in addition to this proposal that we are discussing here today, pointed out to the Conference that there are such districts that are not making use of the magistrates. In fact, in our report covering the proposal we are discussing today, we pointed out what you said, that the judges were coming before the Congress asking for increased help, and that your committee here has constantly asked, how are you using magistrates? Are you using them fully, and utilizing them, as they should be utilized?

Consequently, my committee asked the Judicial Conference for permission to circularize all of the district judges again, enclosing a suggested checklist of duties that could be assigned to fulltime magistrates, and urging that the judges take full advantage of the magistrates. The letter and proposed checklist, I think, were sent out in May.

Now, of course, it is a little bit too early to find out whether we have been successful or not. However, the attitude of the Conference conveyed to the chief judges of the circuits and to the district judges who sit on the judicial conference, that magistrates should be used to the fullest. I would think that it would be a duty of the chief judge of the district or certainly the chief judge of the circuit to convey this attitude if it is brought to his attention if there are certain districts within that circuit which are not using the magistrates to the fullest.

I do know that in some districts they say, we would rather use magistrates for civil matters and not use them for criminal matters. In another district you might find, we would like to use them for criminal matters, but we would not use them for civil matters. My personal reaction in that area is, that is well and good, but if you

cannot keep abreast of your docket, then you had better use the magistrate to the fullest extent. But if you have no complaint about the docket condition, and they are not coming before you for additional judicial help, then I personally would say, fine. You are using your magistrates as you see fit to best carry out your responsibility.

But once they come before you for more help, or once we find, within the Conference, that the dockets are falling behind, then I think we will turn to them and say, now, you have been told this, you have received these communications, you have received the suggested checklist, go use them.

Mr. WESTPHAL. I have no objection or question in my mind about a court that says, we would rather use them in the criminal area, or in the civil area rather than in the criminal. But I cannot understand why we have so many courts where they say, we will not use them at all, except for the old commissioner-type of hearings.

Judge MEIZNER. Well, one district that you mentioned, that I personally know of is Indiana, where the sixth circuit has been very restrictive in their determinations as to how you can use a magistrate, and the judges are a little leery in view of the existing decisions by the sixth circuit, to use magistrates. And I think that once this proposal of yours is passed, you will find a different attitude. For example, Judge Nolan is a member of my committee, and he wants to use it, but he is told by committees that the seventh circuit seem to put a damper on the use of them. Consequently, we do not.

Mr. WESTPHAL. I hope this legislation will clear that up.

Thank you, Mr. Chairman.

Senator BURDICK. Thank you, Judge.

Our next witness is Mr. Morey L. Sear, U.S. magistrate, U.S. District Court, in New Orleans.

[The prepared statement of Mr. Morey L. Sear follows:]

STATEMENT OF MOREY L. SEAR, CHAIRMAN, LEGISLATIVE COMMITTEE, NATIONAL COUNCIL OF UNITED STATES MAGISTRATES

Chairman Burdick, distinguished Senators: The National Council of United States Magistrates is honored by your invitation to appear before the Subcommittee on Improvements in Judicial Machinery and testify on S. 1283, which would clarify and expand jurisdiction of United States magistrates.

NEED FOR REVISION

Less than seven years ago this Subcommittee, after lengthy hearings, gave birth to the Federal Magistrates Act.[1] Full implementation of the Magistrate System came three years later, but since that time magistrates have amassed an impressive record. The most recent published statistical report[2] shows that 112 full-time and 411 part-time[3] magistrates disposed of 242,929 judicial matters during the fiscal year ending June 30, 1974. Volume of work continues to increase, particularly in the area of additional duties provided by Section 636(b) of the statute, and as it has, the Judicial Conference of the United States and its staff have responded by increasing the number of full-time while reducing part-time positions.

No one could predict the phenomenal success of the program or its welcomed acceptance by both bench and bar, but almost immediately questions regarding the scope of the duties of these new judicial officers arose, and because the language of the Act was not clear, a diversity of opinion developed among courts of appeal.

[1] Public Act 90-578 (1968), 28 U.S.C. 631, *et seq.*

[2] Annual Report of the Director of the Administrative Office of the United States Courts 1974 tables M-3 and M-4.

[3] Report of the Proceedings of the Judicial Conference of the United States September 19-20, 1974, p. 70.

Finally, on June 26, 1974, in *Wingo* v. *Wedding*,[4] the Supreme Court laid to rest one of the most controversial jurisdictional questions: whether a United States magistrate could conduct an evidentiary hearing on a habeas corpus petition. In a decision based almost entirely on the legislative history of the Federal Magistrates Act, the Court found that Congress had not assigned magistrates the duty to hold evidentiary hearings. But the Court itself did not agree upon what the Congress intended, and in a far-reaching dissent, the Chief Justice invited the Congress "to restate its intentions if its desired objectives are to be carried out." [5]

We are here today to more clearly restate those objectives.

PROPOSED AMENDMENT

Prisoner petitions provide the battleground of only one of the conflicts in appellate decisions. Review of proceedings of administrative agencies on an established record and hearings on motions to suppress and for summary judgment which may be dispositive of litigation are the other areas of principal disagreement.

The bill before you now establishes a clear Congressional intent to resolve these jurisdictional disagreements. The amendment makes academic the objections raised by *Wedding* to magistrates conducting evidentiary hearings in post-trial matters; by *T.P.O.* v. *McMillan* [6] to hearing motions to dismiss or for summary judgment, and by *Ingram* v. *Richardson* [7] to reviewing appeals from rulings of administrative agencies. All are clearly permitted by the language of the amendment.

A major concern of those reluctant to approve references to magistrates was the absence of legislative direction and uniformity of the scope of review references to magistrates should be accorded. The review provided in S. 1283 is consistent with accepted and existing standards of appellate procedure without depriving the district judge of the final decisionmaking power. The clearly erroneous standard of Rule 52a, Federal Rules of Civil Procedure, is adopted for non-dispositive motions, and an assignment of error filed within a prescribed time is required for all other motions. Our only criticism is that the twenty days allowed in 636(b)(1)(C) seems particularly long, especially when considered in light of the time allowed for objection to findings of special masters provided by Rule 53(e)(2), Federal Rules of Civil Procedure.

Some indication of legislative intent must, in our opinion, be given to review of consensual references provided in Section (b)(2) of the Amendment. Reference by consent of the parties has been favorably considered by the Supreme Court for more than 100 years.[8] That same approval was carried into the Federal Magistrates Act evidenced by a staff memorandum of this Subcommittee in April 1966 stating: "The use of magistrates for duties that do not require the employment of an Article III judge, as in cases in which the parties consent to the use of a magistrate, may do much to increase the efficiency of the Federal Courts." [9] Further evidence of this committee's intent is found in hearings on S. 945 [10] dealing with trial of minor offenses by magistrates.

"That it is constitutionally and statutorily permissible to refer cases, with the consent of all parties, for initial decision is clear," wrote Chief Judge Coffin of the First Circuit less than a month ago. But, he continued: "What does not appear at all clear * * * is whether the decision * * * once rendered is by statute subject to very limited review or to review for any prejudicial legal error as required by F. R. Civ. Pro. 53(e)(4)." [11]

The "Jurisdictional Check List" [12] prepared by the Committee on the Administration of the Federal Magistrate System of the Judicial Conference of the United States suggests "[t]he stipulation of the parties in such cases should provide for entry of judgment."

We share that view. The essence of a consensual reference is agreement of the parties, and it seems appropriate that the parties determine for themselves the type and scope of review in each case. Parties should be free to consent to review

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[4] 418 U.S. 461, 94 S. Ct. 2842 (1974).
[5] *Wingo* v. *Wedding*, (*supra*) at p. 2856.
[6] 460 F.2d 348 (7th Cir. 1972).
[7] 471 F.2d 1268 (6th Cir. 1972).
[8] *Hickers* v. *Faucas*, 69 U.S. 123 (1864); *Newcomb* v. *Wood*, 97 U.S. 581; *Kimberly* v. *Arms*, 129 U.S. 512 (1889).
[9] Hearing on S. 3475 before the Subcommittee on Improvements in Judicial Machinery of the Senate Committee on the Judiciary, 89th Cong., 2nd Session, at 14 (1966).
[10] Hearing on S. 945 before the Subcommittee on Improvements in Judicial Machinery of the Senate Committee on the Judiciary, 90th Cong., pp. 246-256 and p. 282 (1967).
[11] *DeCosta* v. *C.B.S.*, —— F. 2d —— (1975) [No. 74-1391, First Circuit].
[12] Annexed as Exhibit A.

by the district judge of both fact and law or of law only as provided in Rule 53(e)(4), Federal Rules of Civil Procedure, but it should also follow that the parties may, if they wish, consent to entry of final judgment by the magistrate with review by the Court of Appeals on the same standard as provided by Rule 52(a), Federal Rules of Civil Procedure.

Experience has taught us that litigants do not want to be put to the expense of an intermediate review. Moreover, judicial economy suggests that parties be permitted to stipulate their own method of review.

Enactment of S. 1283 will, in our opinion, settle the dust of four very fast moving years. It will remove the doubt that has, to this point in time, had a chilling effect upon full utilization and acceptance of magistrates in the judicial system and clarify for both bench and bar the scope of duties that may be assigned to magistrates.

CONTEMPT

While S. 1283 resolves most of the conflicts of judicial decision, it does not resolve some of the practical problems we encounter in performing the duties the Congress has given us.

Control of proceedings conducted by a magistrate in furtherance of the jurisdiction of the district court is difficult in the absence of authority to punish conduct constituting contempt committed in the presence of the magistrate.

The original draft of the Federal Magistrates Act included in Section 636(d) summary contempt power; however, concern was voiced by the Judicial Conference Committee on the Administration of Criminal Law, and the existing procedure which requires a magistrate to certify facts to a judge for determination was substituted.

Contempt powers are not reserved exclusively to Article III judges but are considered necessary in the ordinary performance of judicial functions. Since passage of the Federal Magistrates Act, the Rules of Bankruptcy Procedure, which became effective October 1, 1973, gave bankruptcy judges summary contempt power.[3]

GENERAL PROVISIONS

Some general statement that makes clear the role of a magistrate in the proceedings before him is essential. Such a provision may be found in Rule 52(a) of the Court of Claims, which provides that "The commissioners shall serve as the trial judges of the court to the extent of the authority therefor prescribed by statute and these rules. As such, they shall have the power to do and perform any acts which may be necessary or proper, under the court's orders of reference and these rules, for the efficient performance of their duties and the regulation of proceedings before them."

Another general provision badly needed is one that would provide that reference to "court" and "judge" in certain categories of statutes and rules shall be deemed to include "magistrates". Such a provision would make clear the authority of magistrates to select juries, receive grand jury returns, conduct naturalization proceedings and proceedings under mental health and drug rehabilitation statutes. Because *Wedding* involved such a statute, we assume that the opening clause of the proposed amendment "Notwithstanding any provision of law to the contrary" was intended by the drafters to be broad enough to include "magistrate" where "court" and "judge" are used in statutes and rules to avoid the necessity of having to amend numerous statutes. Nevertheless, we would prefer that the statute be made clearer or the legislative history point out that fact.

SALARY

No group of public servants has suffered more financial hardship than United States magistrates. We are mindful that federal employees generally have been required to wait for too long for salary adjustments, but the salary inequity from which we suffer is unparalleled in government service.

The legislative history of the Federal Magistrates Act and the proceedings before the Judicial Conference of the United States make it quite clear that the salaries of United States magistrates were intended to be on a parity with salaries paid to referees in bankruptcy. Evidence of this intent is found on page 33 of the 1966 report on S. 3475—the Federal Magistrates Act—issued by this very Subcommittee. "The bill sets a maximum salary of $22,500.00 for a full-time magistrate; this figure, which is three-fourths the salary of a district judge is the maxi-

[3] Rule 920.

mum in effect for full-time referees in bankruptcy. We feel that the importance of the magistrates' duties in the Federal criminal process justifies compensation *at least* as great as that of the full-time referee. The maximum for a part-time magistrate is fixed at $11,000.00, the same as that for a part-time referee." (emphasis supplied)

When this Committee's report was written, the salary of a district judge was $30,000.00 and that of a referee "three-fourths" or $22,500.00.

You will no doubt recall that the Federal Magistrates Act was modeled, in large part, on the Referee's Salary and Expense Act of 1946, and lawyers are selected for appointment to both positions on the same basis and standard of qualifications and experience. Each full-time magistrate nominated for appointment by the district judges he will serve is subject to a full background investigation conducted by the Federal Bureau of Investigation similar to that conducted on nomination of Article III judges. Unlike referees, however, magistrates deal in all areas of the law and in addition must be available twenty-four hours a day seven days a week to issue complaints and search warrants, to advise defendants of their constitutional rights in accordance with Rule 5 of the Federal Rules of Criminal Procedure, and administer the Bail Reform Act of 1966.

When the Federal Magistrates Act became effective October 17, 1968, the provisions of law regarding the maximum salaries of referees and magistrates were identical. The salary structure of judges and referees, however, were included within the jurisdiction of the Commission on Executive, Legislative and Judicial Salaries, which reported to the President in January, 1969. At the time the legislation creating the Commission was adopted, the Federal Magistrates Act did not exist, and the Commission's report was submitted to the President fully five months before the magistrate pilot program even began. Certainly there can be no doubt that magistrates are judicial officers and like referees would have been included within the jurisdiction of the Commission had magistrates existed.

As a result of the report of the Commission and Presidential action, Section 40a of the Bankruptcy Act was amended by the Congress, and maximum salaries for full-time referees were fixed at $36,000.00 and for part-time referees at $18,000.00. Congress left the discretion to fix salaries of referees within that limitation to the Judicial Conference. Salaries of district judges were increased to $40,000.00 by the Commission.

At its March 1969 session, the Judicial Conference, acting within its statutory authority, increased the salaries of most full-time referees to $30,000.00 per annum, but only four part-time referees were increased to the $18,000.00 maximum. At that same meeting, the Conference noted the differential in salaries between magistrates and referees and the resulting inequity, and stated its view "that the maximum salaries of magistrates should be on a parity with maximum salaries paid to referees in bankruptcy." [1]

At the March 15–16, 1971, meeting of the Judicial Conference, a salary committee was appointed to study "increases in salaries for clerks of court, pre-trial examiners, referees in bankruptcy and United States magistrates." At the same meeting, the Conference report states at pages 19 and 20: "The Committee recommended that the Conference reaffirm the principle that the maximum salaries payable to United States magistrates should be on a parity with the maximum salaries payable to referees in bankruptcy (see Conf. Rept., March, 1969, p. 31) and that the Director of the Administrative Office be authorized to prepare the necessary amendments to the statute and transmit them to the Congress. The Conference, after full discussion, voted to recommend that the ceiling on the salaries of United States magistrates be removed and that the salaries of magistrates be fixed from time to time by the Judicial Conference after receiving recommendations of the Salary Committee, newly created."

At the October 28–29, 1971, meeting of the Conference, the Salary Committee made its report:

"Judge William H. Hastie, Chairman, reported to the Conference for the Committee on Salaries.

This Committee was established as a result of the action of the Conference at its March 1971 session (Conf. Rept., p. 3), at which time it was resolved that there should be created a committee to study the salary structure of positions in the federal judiciary, such as referees in bankruptcy, magistrates, clerks of court, pre-trial examiners, secretaries to judges and ungraded positions.

After reviewing the recommendations of the committee, the Conference agreed to the following salary structure for ungraded officers of the court, subject where necessary to authorization and the appropriation of funds.

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[1] See Conference Report, March 1969, page 31.

(2) Full-time Referees in Bankruptcy* 75 to 80% of a district judge's salary.
(3) Full-time United States Magistrates* 75 to 80% of a district judge's salary.

Through the extraordinary effort of this Subcommittee and its staff, we raced the clock and calendar to pass H.R. 7375 during the closing days of the second session of the Ninety-second Congress. That amendment increased our salary to a maximum of 75% of that of a district judge, or $30,000.00.

Despite the clear legislative and Judicial Conference intent, and because of the most unusual circumstances created by our absence from inclusion in the Salary Commission enabling legislation, there is still a disparity between the salaries of magistrates and referees. Referees have received the benefit of a well deserved cost of living increase while we have not.

The Committee on the Judiciary of the House of Representatives has favorably reported H.R. 6184, which would now fix salaries of referees at $36,000.00. Its companion in the Senate is S. 582. When that bill was introduced on the floor of the Senate, the Chairman of this Subcommittee called his colleagues' attention to the effect of the six-year salary freeze on the quality and effectiveness of the bankruptcy court. We experience the same effect. Many of our members have been forced to resign for financial reasons, and not long ago I received a call from one of our most able and best qualified magistrates desperate because he is unable to borrow more money to pay college tuition for two children this coming fall.

Salaries of government attorneys who appear before us are substantially more than ours. Some metropolitan United States attorneys receive in excess of $36,000.00, and the rest make $36,000.00; their first assistants receive $35,000.00 or more. Heads of divisions and senior staff attorneys within that office receive more than $30,000.00, and federal public defenders are now authorized salaries equal to those of United States attorneys. Most administrative law judges begin at GS–16 ratings of $34,607.00, and while their expertise is limited like referees to a single specialty, ours must cover the entire spectrum of the law. One day we may try an environmental case; the next a maritime collision, a criminal case, or review an administrative agency record. We are the final judges in many instances, and hold in our hands broad and sweeping powers. Under existing statutes we can deprive a person of his liberty for as long as one year, or place him on probation for as long as five years. By our signature alone, we can authorize tearing down the door of any citizen's home, or determine who remains in jail or goes free on bond. Our work is almost totally decision making. We are judges of cases tried by government attorneys paid more than we are, and appellate courts to administrative law judges, who also receive more than we do. The equity or justice of this irony escapes us.

There can be no better justification or time for creating parity between magistrates and referees than now, as we consider legislation that will broaden our jurisdiction and confer additional responsibility. We do not ask that we be treated differently than others—only that we be treated the same.

Accordingly, we offer for your consideration the following amendment to § 634(a):

"Officers appointed under this chapter shall receive as full compensation for their services salaries [~~to be fixed by the conference pursuant to section 633 of this title.~~] at rates for full-time and part-time United States magistrates [~~not to exceed the rates~~] [as] now or hereafter provided for full-time and part-time referees in bankruptcy, respectively, referred to in section 40a of the Bankruptcy Act (11 U.S.C. 68(a)), as amended."

Parity would then exist as both this Subcommittee and the Judicial Conference have always intended.

We are grateful for the opportunity to appear this morning and welcome your questions.

EXHIBIT A

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS,
SUPREME COURT BUILDING,
Washington, D.C., March 14, 1975.

MEMORANDUM TO ALL FEDERAL JUDGES AND UNITED STATES MAGISTRATES

In order to encourage an expanded use of United States magistrates, the Judicial Conference at its meeting last week authorized me to distribute the attached memorandum and checklist to all federal judges and United States magistrates. Prepared by the Committee on the Administration of the Federal Magistrates System, the documents set forth those duties which are considered appropriate for delegation under the existing statute, 28 U.S.C. § 636.

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The actual assignment of duties to magistrates is entrusted by the statute to the rule-making discretion of each district court. I urge you to review these documents and consider whether your court would benefit from an expanded use of magistrates in any of the areas suggested.

Sincerely yours,

ROWLAND F. KIRKS,
Director.

Enclsoures.

DUTIES WHICH MIGHT BE ASSIGNED TO UNITED STATES MAGISTRATES

During the first three full years of experience in the operation of the Federal Magistrates System, many district courts have benefited materially from the use of United States magistrates in the performance of important duties under 28 U.S.C. § 636(b). There follows a list of duties which can appropriately be assigned to magistrates.

The Judicial Conference urges the judges of each district court to review the list and consider whether their courts might benefit from a greater use of magistrates in any of the areas suggested.

1. General supervision of the district court's civil and criminal calendars, including handling calendar calls and ruling on motions to expedite or postpone the trial of cases. (28 U.S.C. § 636(b)(2))

2. Conduct of pretrial conferences and hearing procedural and discovery motions, subject to review by a district judge on exceptions filed by the parties. (28 U.S.C. § 636(b)(2))

3. Conduct of hearings and submission of a report and recommended disposition to a district judge in other pretrial motions, including dispositive motions, to the extent permitted by pertinent caselaw. See *Campbell* v. *United States District Court*, 501 F. 2d 196 (9th Cir. 1974), *cert. denied*, (419 U.S. 879); *Givens* v. *Grant*, 457 F. 2d 612 (2d Cir. 1972). But see *T.P.O., Inc.* v. *McMillen*, 460 F. 2d 348 (7th Cir. 1972).

4. Review of habeas corpus petitions filed by state prisoners under 28 U.S.C. § 2254 and by federal prisoners under 28 U.S.C. § 2255, and the preparation of a report and recommendation for the district judge as to (1) the need for an evidentiary hearing and (2) the disposition of the petition. (28 U.S.C. § 636(b)(3). A petition should not generally be referred to a magistrate, however, if resolution of the issues requires a personal knowledge of original trial proceedings by a district judge or might result in overruling a prior determination of a district judge.

5. Review of civil suits for the deprivation of rights under 42 U.S.C. § 1983, and the preparation of a report and recommendation to a district judge as to the defendant's eligibility to proceed *in forma pauperis*, the need for an evidentiary proceeding, and recommended disposition of the case. In appropriate cases, a magistrate might also be authorized to take on-site depositions, act as a mediator, or be appointed as a special master.

6. Conduct of trials in civil cases with the consent of the litigants.

7. Review of the record of administrative proceedings, in suits seeking judicial review of final decisions of administrative agencies, and submission of a report and recommendation to the district judge summarizing the administrative record and concluding (a) whether there are defects in the agency proceedings which rise to the level of a deprivation of due process; (b) whether there should be a remand to the agency for additional factual determinations to complete the record; and (c) whether there is substantial evidence in the record to support the ultimate determination of the agency. See *Weber* v. *Secretary of Health, Education, and Welfare*, 503 F. 2d 1049 (9th Cir. 1974)). But see *Ingram* v. *Richardson*, 471 F. 2d 1268 (6th Cir. 1972).

A more comprehensive list of duties is attached as an appendix.

GENERAL PROCEDURAL GUIDELINES FOR THE ASSIGNMENT OF "ADDITIONAL DUTIES" TO MAGISTRATES

A magistrate must be authorized by local rule of court to perform "additional duties," 28 U.S.C. § 636(b). Such authorization may be phrased in general terms or it may set forth in detail the types of duties authorized to be performed by each magistrate.

The reference of a case to a magistrate, in whole or in part, should be made openly and on the record. In general, the parties should be apprised of such delegation. A general, consistent practice of the court, embodied in a local rule, may be sufficient notice to the parties.

GENERAL GUIDELINES FOR REVIEW BY A DISTRICT JUDGE

Where a magistrate submits a report or recommendation to a judge, the parties should receive copies of the report and recommendation.

The parties should be allowed a reasonable time within which to raise specific objections to the report and recommendation.

Where a magistrate makes a finding or ruling on a motion or an issue, his determination should become that of the district court, unless specific objection is filed within a reasonable time.

In any case where a party files objections in timely fashion, the appropriate district judge should consider the specific issues objected to as if they were raised before him initially. In no case, should the discretion of the district judge be limited so as to require that he grant any party a fuller hearing than would be required if he heard the matter initially.

APPENDIX

Jurisdictional Checklist

Duties which may be delegated to magistrates

A. "ADDITIONAL DUTIES" UNDER 28 U.S.C. § 636(b)

Criminal proceedings

1. General supervision of the criminal calendar, including calendar calls and motions to expedite or postpone the trial of cases. 28 U.S.C. § 636(b)(2).

2. Conduct of pretrial conferences, omnibus hearings, and related proceedings. Id. Any party should have a right to appeal an adverse determination by a magistrate to a district judge.

3. Hearing of procedural and discovery motions, including motions for the suppression of evidence, and the conduct of necessary hearings thereon. See *Campbell* v. *U.S. District Court*, 501 F. 2d 196 (9th Cir. 1974), *cert. denied* October 15, 1974 (No. 73-6941). Any party aggrieved by a magistrate's determination should be entitled to a hearing before a district judge to the same extent as if the district judge were hearing the matter initially.

4. Conduct of post-indictment arraignments, acceptance of not guilty pleas, and the ordering of a pre-sentence report on a defendant who signifies the desire to plead guilty. A magistrate should not be empowered to accept pleas of guilty or nolo contendere in cases outside the jurisdiction specified in 18 U.S.C. § 3401. Rules 10 and 11, Fed.R.Crim.P. See the Report of the Judicial Conference for 1971, p. 54.

5. Conduct of preliminary hearings leading to the revocation of probation. See *Gagnon* v. *Scarpelli*, 411 U.S. 778 (1973).

6. Conduct of final probation revocation hearings and submission of a report and recommendations to the judge. Any party aggrieved by a magistrate's determination should be entitled to a hearing before a district judge to the same extent as if the district judge were hearing the matter initially.

Prisoner petitions

7. Review of habeas corpus petitions filed by state prisoners under 28 U.S.C. § 2254, the issuance of orders to show cause and other necessary orders to obtain a complete record, and the preparation of a report and recommendation as to (1) the need for an evidentiary hearing and (2) the disposition of the petition. 28 U.S.C. § 636(b)(3). But see *Ellis* v. *Buckhoe*, 491 F. 2d 716 (6th Cir. 1974).

8. Review of habeas corpus petitions filed by federal prisoners for the correction or reduction of sentences under 28 U.S.C. § 2255, and the preparation of a report and recommendation to the district judge as to the disposition of the case. Id. A petition of a federal prisoner should not be referred to a magistrate if resolution of the issues requires a knowledge of the original trial proceedings or might result in overruling a prior determination of a district judge.

9. Review of civil suits for the deprivation of rights under 42 U.S.C. § 1983 and the preparation of a report and recommendation to a district judge as to the defendant's eligibility to proceed *in forma pauperis* and the need for evidentiary proceedings; and submission of a report recommending a disposition of the case.

10. Taking on-site depositions, gathering evidence, and serving as a mediator at the holding facility in connection with civil rights suits filed by prisoners contesting conditions of confinement under 42 U.S.C. § 1983.

11. Review of prisoner correspondence.

Civil proceedings

12. General supervision of the civil calendar, including the handling of calendar calls and motions to expedite or postpone the trial of cases. 28 U.S.C. § 636(b)(2).

13. Conduct of preliminary and final pretrial conferences, status calls and settlement conferences, and the preparation of a pretrial order following the conclusion of the final pretrial conference. Id. Any party should have a right to appeal an adverse determination by a magistrate to a district judge.

14. Hearing and determining procedural and discovery motions, and the conduct of necessary hearings thereon. Id. Any party aggrieved by a magistrate's determination should be entitled to a hearing before a district judge to the same extent as if the district judge were hearing the matter initially.

15. Consideration of motions for summary judgment and dismissal. See *Givens* v. *Grant*, 457 F. 2d 612 (2nd Cir. 1972), and *Remington Arms Co., Inc.* v. *United States*, 461 F. 2d 1268 (2nd Cir. 1972). But see *TPO, Inc.* v. *McMillen*, 460 F. 2d 348 (7th Cir. 1972). Any party aggrieved by a magistrate's determination should be entitled to a hearing before a district judge to the same extent as if the district judge were hearing the matter initially.

16. Acceptance of jury returns in the absence or disability of the trial judge.

17. Conduct of trials in civil cases by consent of all the parties. The stipulation of the parties in such cases should provide for entry of judgment.

18. Entry of default judgments in appropriate cases and the review of motions to set aside default judgments. Rule 55, Fed.R.Civ.P.

Special Master References

19. Hearing testimony and submitting a report and findings on complicated issues in jury cases or in matters of account, difficult computations of damages and exceptional conditions in non-jury cases. Rule 53(b), Fed.R.Civ.P.

20. Supervising discovery in connection with special aspects of patent antitrust cases, especially where there are a great many issues, claims and documents, or in multiple disaster and class action cases where there are numerous claimants and diverse claims.

21. Serving as a commissioner to determine compensation and assess damages in land condemnation cases under Rule 71A(h), Fed.R.Civ.P.

22. Serving as a master for the assessment of damages in admiralty cases.

23. Conducting evidentiary hearings and preparing findings in employment discrimination cases under Title VII of the Civil Rights Act of 1964. 42 U.S.C. § 2000e—5(f).

Judicial Review of Administrative Proceedings

24. In suits for judicial review of final decisions of administrative agencies, reviewing the record of administrative proceedings. This function is usually delegated to magistrates in the following types of cases:

a. Decisions regarding the granting of benefits to claimants under the Social Security Act, the "Black Lung" benefits laws, and related statutes;

b. The administrative award of licenses and similar privileges; and

c. The adjudication by the Civil Service Commission of adverse employee actions, retirement eligibility and benefits questions, and the rights of employees in such situations as reductions in force.

In such cases, a magistrate may be authorized to submit a report to the district judge summarizing the administrative record and concluding (1) whether there are defects in the agency proceedings which rise to the level of a deprivation of due process, (2) whether there should be a remand to the agency for additional factual determinations to complete the record, and (3) whether there is substantial evidence in the record to support the ultimate decision of the agency. See *Weber* v. *Secretary of Health, Education, and Welfare*, 503 F. 2d 1049 (9th Cir. 1974), *Yascavage* v. *Weinberger*, 379 F. Supp. 1297 (M.D. Pa., 1974), *Arnold* v. *Weinberger*, Civil No. B-369 (D. Conn., decided June 24, 1974), and *Murphy* v. *Weinberger*, Civil No. B-613 (D. Conn., decided March 25, 1974). But see *Ingram* v. *Richardson*, 471 F. 2d 1268 (6th Cir. 1972). Any party aggrieved by a magistrate's determination should be entitled to a hearing before a district judge to the same extent as if the district judge were hearing the matter initially.

Miscellaneous Duties

25. The review of petitions in civil commitment proceedings under Title III of the Narcotic Addict Rehabilitation Act and the submission of recommendations to the court.

26. Issuance of subpoenas and writs of habeas corpus ad testificandum and habeas corpus and prosequendum.
27. Examining judgment debtors. Rule 69, Fed. R. Civ. P.
28. Coordination of the court's efforts in such fields as the promulgation of local rules and procedures and the administration of the forfeiture of collateral system.
29. Imposition of civil fines and penalties under the Federal Boat Safety Act. 46 U.S.C. §§ 1451-1489.
30. Issuance of orders prior to ratification of sale in mortgage foreclosure proceedings on properties financed through Government loans (Veterans Administration and Federal Housing Administration).
31. Supervision of proceedings on requests for letters rogatory in civil and criminal cases, upon special designation by the district court.
32. Conduct of inquests on damages in cases involving default judgments.

B. COMMISSIONER-TYPE DUTIES

1. Processing of complaints and issuing appropriate summonses or arrest warrants for the name defendants. Rule 4, Fed.R.Crim.P.
2. Issuance of search warrants upon a determination that probable cause for the warrant exists. Rule 41, Fed.R.Crim.P.
3. Conduct of initial appearance proceedings for defendants, informing them of their rights, admitting them to bail and imposing conditions of release. Rule 5, Fed.R.Crim.P. and 18 U.S.C. §3146.
4. Appointment of attorneys for indigent defendants, together with the administration of the court's Criminal Justice Act plan, the maintenance of a register of eligible attorneys, and the approval of attorneys' expense vouchers. 18 U.S.C. § 3006A.
5. Conduct of full preliminary examinations. Rule 5.1, Fed. R. Crim. P. and 18 U.S.C. § 3060.
6. Conduct of removal hearings for defendants charged in other districts: and, upon special designation by rule of court, the issuance of warrants of removal. Rule 40, Fed. R. Crim. P.
7. Administering oaths and taking bail, acknowledgements, affidavits and depositions. 28 U.S.C. § 636(a)(2).
8. The setting of bail for material witnesses. 18 U.S.C. § 3149.
9. Upon special designation by the district court, the conduct of extradition proceedings. 18 U.S.C. § 3184.
10. Holding to security of the peace and for good behavior. 18 U.S.C. § 3043.
11. The discharge of indigent prisoners or persons imprisoned for debt under process or execution issued by a federal court. 18 U.S.C. § 3569 and 28 U.S.C. § 2007.
12. Issuance of an attachment or order to enforce obedience to an Internal Revenue Service summons to produce records or give testimony. 26 U.S.C. § 7604(b).
13. Instituting proceedings against persons violating certain civil rights statutes. 42 U.S.C. § 1987.
14. Settling or certifying the nonpayment of seamen's wages. 46 U.S.C. § 603.
15. Enforcing awards of foreign consuls in differences between captains and crews of vessels of the consul's nation. 22 U.S.C. § 258(a).
16. The trial and sentencing of defendants in minor offense cases by consent of the defendants. 18 U.S.C. § 3401.

STATEMENT OF MOREY L. SEAR, CHAIRMAN, LEGISLATIVE COMMITTEE, NATIONAL COUNCIL OF U.S. MAGISTRATES AND MAGISTRATE, U.S. DISTRICT COURT, NEW ORLEANS

Mr. SEAR. Thank you, Mr. Chairman.

Mr. Chairman, may I first introduce to you the President of the National Council of United States Magistrates, Magistrate Geffen, from California, and three magistrates from the District of Columbia, Magistrates Burnett, Margolis, and Dwyer, who are here with us today.

Senator BURDICK. We are pleased to have you here.

Mr. SEAR. I note that the Senate has before it here today very pressing business, and I wondered how we are with time?

Senator BURDICK. It is so pressing that legally, we have to stop all operations at 10 o'clock sharp. So, be guided accordingly.

Mr. SEAR. Well, then, if I may depart from our statement, and go, if you will, to those things, that we consider most important and pressing.

We have found, over the past 4 years of operating under what has become known as the Federal Magistrates Act, that the legislative history that was established prior to the passage of that act has formed the very basis and foundation of the legal decisions that bring us here today. And it is because of that legislative history many of the restrictions that we now face have been placed upon us.

I do not believe that one has to have a copy of the hearings before Senator Tydings' committee to know that legislative history in full. One can start with decisions after magistrates began operation and from *T.P.O.* v. *McMillan* down as recently as last month in *DeCosta* v. *CBS*. The courts have repeatedly quoted from the legislative hearings in determining whether magistrates could perform certain functions under the existing law. And I believe that many courts have been reluctant to approve references to magistrates because of the absence of some legislative direction and some uniformity, which Mr. Westphal has already touched on today.

I believe that we are now developing, by this amendment, some feeling for what the Congress really intends, in view of the experience we have had, what judicial decision we choose to write out, and substitute new words in statute form. I think that at the outset, we ought to understand—and those who read behind us, Mr. Chairman, must understand—that this piece of legislation, 1283, is intended specifically to remove the impediments of *Wedding*, of *T.P.O.* v. *McMillan*, of *Ingram* v. *Richardson*, and those other restrictive cases.

I think that, those new areas of jurisdiction that we include must be clarified by this.

You discussed with Judge Metzner, motions that would fall understandably under rule 12(b) of the Federal Rules of Civil Procedure, and I would agree that those motions that address themselves to failure to state a claim should be motions that would be considered dispositive, and would be subject to review on a different basis than the clearly erroneous basis of the so-called nondispositive motions.

But I think that this record ought to indicate clearly that the other motions, such as provided in rule 12(b), including ones that address themselves to jurisdiction over the subject matter, jurisdiction over the person, lack of service, and sufficiency of manner of service, improper venue, and failure to join a necessary party, are the types of motions that Mr. Westphal referred to that are virtually ministerial, that the magistrate can review the record and determine simply without placing the court in a situation of having to almost review de novo.

In addition to that, Mr. Chairman, we have discussed at length—Mr. Westphal and Judge Metzner have—the time limitations that section C of the act imposes upon the filing of objections to findings of the magistrate. That stated period is 20 days, and I have some very strong feelings about that 20-day pericd.

My feelings stem from the delay that results and the uncertainty that exists, and I suggest to you that a case that is fixed for trial, that has a trial date, might be 30 or 45 days down the road. The motion is filed, argued, heard, findings are submitted. Twenty days must pass. During that 20-day period, an objection is filed. It must be set on the calendar for hearing, and we may be talking about an overall delay of anywhere from 30 to 45 days, before final determination of a motion that was heard 45 days to 2 months before.

I see no reason that that delay should be any different than a delay that is set by law, has worked quite well for a number of years, in the case of special masters. Rule 53(b) provides a 10-day period in order to file objections. If it has worked for representatives outside the court system, it seems to us it should work for us.

I think that the legislative history of this committee should also include some reference to what this Congress intends, insofar as consensual references are concerned. I believe that the constitutionality of that provision of this statute has, long ago, been clearly established.

I have appended to our statement, Mr. Chairman, the duties or the checklist that Judge Metzner referred to, prepared by the Judicial Conference of the United States, and I would refer, if I may, to page 3 of that checklist and paragraph 17, that makes reference to the stipulation of the parties in a consensual reference. And I would like to read that provision. It refers to the conduct of trials in civil cases by consent of all of the parties, and suggests, Mr. Chairman, that "the stipulation of the parties in such cases should provide for entry of judgment." We share that view expressed in that paragraph of the Judicial Conference checklist, and since the essence of consensual reference is an agreement of the parties, it seems appropriate to us that the parties themselves determine the type and scope of review that they desire themselves in such cases, and that they ought to be free to consent to review by the district judge, of both fact and law, or law only, as they now do under rule 53(e)(4).

Mr. WESTPHAL. Mr. Chairman, I wonder if Mr. Sear might yield for questions.

Mr. SEAR. Certainly, Mr. Westphal.

Mr. WESTPHAL. Under the language which is recommended by the Judicial Conference, and which is carried through in the printed amendment in subsection 2 on page 3, it says a judge may designate a magistrate to serve as a special master in any civil case, upon consent of the parties, without regard to provisions of rule 53(b). Now, my question to you is, is it not implied in that language that the provision of rule 53(e)(4) that you referred to is incorporated into any proceeding where the case is being tried by the master, by consent of the parties? In other words, 53(e)(4) requires that parties, when they consent to the trial, before the master, also agree as to the type of review, whether it will be all on fact, or on law only. So is that not implied by the language that we now have?

Mr. SEAR. I hope it is, Mr. Westphal. I believe the language was put in there principally to remove the impediment that was created by *LaBuy* v. *Howes Leather*. I would hope that in the future, we would read the legislative history, as you have just described it, because that would be, in my judgment, a better view to take of what was intended.

It was certainly intended that the magistrate, when he conducts a trial by consent, is trying it just as the district judge would try the case.

Mr. WESTPHAL. I think two things are intended: No. 1, to get rid of LaBuy and No. 2, you carry with it the idea that if the parties do consent to the trial by a magistrate, that their consent should include that which is required under 53(e)(4), and that is some agreement as to whether the judge of the court will review only as to legal questions or review both law and the facts.

Mr. SEAR. Or neither, and that the magistrate himself could enter the judgment.

Mr. WESTPHAL. That is my understanding of what is intended. And I take it, Judge Metzner, that you would agree with that?

Judge METZNER. I do.

Mr. WESTPHAL. Thank you. You may proceed.

Mr. SEAR. Mr. Chairman, I would like to mention three other things, if I may. We believe that ancillary to the authority that is given us by the Congress to conduct these various proceedings and perform these duties, it is necessary to have some limited contempt power, the same power, if you will, that the referee now has conferred upon him as recently as 1973, and identical to that which is provided in their rule 920.

I would also suggest that there be some general statement in this particular piece of legislation that makes clear the role of a magistrate in a proceeding before him, a similar provision to that which is found in rule 52(a) of the Court of Claims, which provides:

> The commissioners shall serve as the trial judges to the extent of the authority therefor prescribed by statute in these rules. As such, they shall have the power to do and perform any acts which may be necessary or proper under the court's orders of reference and these rules for the efficient performance of their duties and the regulations of proceedings before them.

I believe that that provision is precisely what Mr. Westphal was just referring to. If that be clearly understood, Mr. Westphal, whether it be in the legislative history of the act, or whether it be included in the words of the act, I believe that in order for those who must interpret the statute to know what is intended, some provisions of that nature or some history to that effect should be included.

We also find ourselves badly in need of a provision that would provide that reference to court and judge in certain categories of statutes and rules shall be deemed to include magistrate. We find ourselves faced with problems involving the use of those words all of the time. As a matter of fact, that is primarily the reason we are here today. The statute, in *Wedding* v. *Wingo*, made reference to the judge, and because it made specific reference to the word the judge, the Supreme Court found that those duties cannot be conferred upon a magistrate.

So I assume, Mr. Chairman, that the opening clause of this proposed amendment, "notwithstanding any provision of the law to the contrary" was intended by the drafters to be broad enough to include a magistrate where court and judge are used in statutes and rules, so as to avoid the necessity of going back to amend individual statutes.

Mr. WESTPHAL. May I interject?

Senator BURDICK. Yes.

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Mr. WESTPHAL. I think that, Mr. Sear, you have covered what I always understood was the intent of the Judicial Conference when they recommend to Congress that we enact the statute starting out by saying "notwithstanding any provision of the law to the contrary," because that language as I understand it, was intended to overcome this debate they had in the decision in *Wingo* v. *Wedding*, as to just what was meant when the statute on habeas corpus uses the word, judge. And of course, it would be virtually impossible for Congress to go through and amend every appropriate statute, to say judge and/or magistrate. And it would be impossible for Congress to pass a general statute which would say the word judge shall also be deemed to mean magistrate in every instance. It just cannot be done. So it is the in ent of the drafters of both the Judicial Conference and the legislative staff that that language "notwithstanding any provision of law to the contrary" is intended to cover just that situation.

Mr. SEAR. Thank you very much.

Mr. WESTPHAL. Judge Metzner, do you agree to that?

Judge METZNER. Yes, that is so.

Mr. SEAR. Now, Mr. Chairman, if I may turn to my favorite subject. I would like to address myself to the question of salaries that U.S. magistrates receive. I believe that no group of public servants have suffered more financial hardship than have the U.S. magistrates. We are mindful that all Federal employees, including Members of Congress, Mr. Chairman have had to wait far too long for any salary relief, but the legislative history of the Federal Magistrates Act and the history of meetings of the Judicial Conference of the United States have indicated a very clear and very frank, forthright intent to place magistrates and bankruptcy judges on parity, salarywise.

By a strange quirk of fate, Mr. Chairman, U.S. magistrates are not included in that legislation that enables or which establishes salaries for all other judicial officers, the present Salary Commission. It is not included, if you will remember, Mr. Chairman, because we did not exist at the time that that legislation was created. And we have, as a consequence, trailed behind our brothers, the referees and others in judicial service.

I might point out to you, Mr. Chairman, the inequities that presently exist, when I suggest to you that U.S. attorneys who practice before us are paid $36,000 a year. In some metropolitan areas, they receive as much as $40,000 a year, their first assistants, $35,000 or more; chiefs of divisions and senior staff attorneys within their offices receive in excess of that which we receive; Federal public defenders who practice before us receive as much as U.S. attorneys. We try their cases, and we act as the trial judges to them. Social security hearing examiners, receive substantially more than we do, and we act as their appellate judges, and today we are here before this subcommittee testifying on a bill that will broaden and increase our jurisdiction.

Our job is essentially one of decisionmaking. We are the triers, the sole triers, of persons charged with crimes, and we have the power to sentence people to jail for as long as 1 year, to place them on probation for as long as 5 years, to fine them substantial sums of money, to issue search warrants to beat down their doors of their homes, and

authorize agents to search them, and here we are, lagngg substantially behind our brothers who perform similar duties.

We do not ask, Mr. Chairman, to be treated any differently than anyone else. We only ask that we be treated the same. The Senate has already considered, or this subcommittee has already considered, a bill that would make mandatory the payment to referees the heretofore fixed maximum of $36,000. And the House of Representatives, in its subcommittee and Committee on the Judiciary, has already approved such legislation.

We would ask only, Mr. Chairman, that our act be amended to include, in 636(a), the following provision, "that officers accorded under this chapter shall receive, as full compensation for their services, salaries at rates for fulltime and parttime United States Magistrates, as now or hereafter are provided for fulltime and parttime referees in bankruptcy, respectively, referred to in Section 40(a) of the Bankruptcy Act, 11 USC 68(a) as amended." That, Mr. Chairman, would, for the first time, place us on parity as this committee intended that we be, and as the Judicial Conference has intended that we be.

Now, sir, we would be happy to answer whatever questions you or Mr. Westphal may have for us.

Senator BURDICK. I appreciate your concern about the salary situation, and we will probably go into that more fully, of course, but this is primarily to hear this present bill. But we appreciate your concern.

Mr. SEAR. We thought no greater time could exist, and no more pressing need could be, Mr. Chairman, than to offer it at a time when jurisdiction was being increased.

Senator BURDICK. Well you seized time by the forelock?

Mr. SEAR. Yes, sir. As you recall, a few years ago, I told the Senator that, as we raced the clock before, that I would be back.

Senator BURDICK. I want to thank you for your contribution this morning, and your views, but I have no further questions.

Mr. WESTPHAL. I have one question, Mr. Chairman, if I could ask it. On this matter of whether subsection (C) should specify a procedure by which an aggrieved party can obtain a review of proposed findings or order on dispositive type motions, I take it, number one, that you are in agreement that, if a time is to be specified, it should be 10 days, rather than 20 days?

Mr. SEAR. Yes, sir.

Mr. WESTPHAL. Now, we have the question which is, whether we should have a procedure specified or whether we should leave it to local rule. Let me ask you this. If it were left to local rule can you conceive of any of the 94 judicial districts having a rule which would specify less time than 10 days within which the parties should take objection to the report?

Mr. SEAR. I really cannot conceive of one that would have less than 10 days. I can conceive of those that, if left to local rule, would have more than 10 days, but I think that the lack of uniformity is one of things that has had the chilling effect upon the use of magistrates and the understanding of procedures that should be followed in their use.

Mr. WESTPHAL. What is your feeling about the reasons I have stated for these two types of discretionary power; that is, any pretrial matter wherein the magistrate has the power to hear and determine, and the dispositive motions where he has the power to hear and then

recommend? The reason we have a procedure for the one specified but not specified for the other is to demonstrate a clear intent that we regard the one as being more serious, and that, at this particular time time when we are trying to overcome *Wingo* v. *Wedding* and *T.P.O.* v. *McMillan*, and these others which have indicated, on the part of district and appellate judges alike some reluctance to vest in magistrates as much authority as perhaps we might eventually want to, but in any event, to treat the two of them differently, do you agree that that is consistent with the theory of this bill?

Mr. SEAR. Yes; I do.

Mr. WESTPHAL. The other thing is this, that on a pretrial matter which can be heard and determined by the magistrate where, under subparagraph (A), we do not specify the procedure, that could be left to local rule, it seems to me there is a reason for it, and that is that those pretrial matters cover a whole variety of motions and orders that the magistrate might issue in response to a motion, and they can occur at varying times in the litigation. You could hold a pretrial conference and issue a pretrial order restricting a number of expert witnesses, excluding certain photographs because they are too grisly, or doing a number of things, and you might hold that pretrial conference a week before the case is set for trial, or 3 days before the case is set for trial. How could he possibly specify a time limit for that? It has to be handled sort of ad hoc, as may be guided by local rule.

But in the other area. where you have these important dispositive motions which will terminate the litigation, it seems to me that there is an advantage in specifying an exact procedure which the lawyers of this country will know that this is the procedure for them to follow, if they feel aggrieved by any of these motions. Do you agree with that philosophy?

Mr. SEAR. I would agree with that; yes, Mr. Westphal. I agree with it for another reason; it is a more practical reason. With the exception of the 20-day period, the language of the proposed statute, I think, can be reduced in content and number of words, perhaps. The procedure is one that places the responsibility for doing this on the clerk of court, which is a place where I believe it belongs. We are limited in the people that we have, the staff that we have. I think it places the responsibility, and it lets everybody know where you get it, and when you should receive it, and so forth.

My only objection, really, is to the length of time. I think it is twice what it need be.

Mr. WESTPHAL. But you would be satisfied with 10 days?

Mr. SEAR. Yes.

Mr. WESTPHAL. As a matter of fact, it would be very unusual for anybody, by local rule or under specific order, to specify less than 10 days, expecially if you are going to serve parties with a copy by mail.

Mr. SEAR. I would be satisfied with that.

Mr. WESTPHAL. I have no further questions.

Senator BURDICK. Thank you very much.

Judge METZNER. I have the report of the Judicial Conference I would like to be put in the record.

Senator BURDICK. It will be received, without objection.

[The material referred to follows:]

JUDICIAL CONFERENCE OF THE UNITED STATES

PROPOSED AMENDMENT TO THE FEDERAL MAGISTRATES ACT

(Pub. L. No. 90-578; 28 U.S.C. §§ 631ff)

Adopted on March 7, 1975, upon the recommendation of the Committee on the Administration of the Federal Magistrates System.

It is recommended that existing section 636(b) be repealed and that a new section 636(b) be adopted to read as follows:

"(b)(1) Notwithstanding any provision of law to the contrary, a judge may designate a magistrate to hear and determine, subject to review as hereinafter provided, any pretrial matter pending before the court except motions which are dispositive of the litigation, the disposition of which the magistrate may recommend, but not order. A judge may also designate a magistrate to conduct evidentiary hearings and make recommendations for the disposition of applications for post-trial relief made by individuals convicted of criminal offenses and prisoner petitions challenging conditions of confinement. Upon timely request, as fixed by local rule of court, by any party who has appeared before the magistrate, either personally or by submission of affidavits or brief, the court shall hear *de novo* those portions of the report or specific proposed findings of fact or conclusions of law to which objection is made.

"(2) A judge may designate a magistrate to serve as a special master pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts. A judge may designate a magistrate to serve as a special master in any civil case, upon consent of the parties, without regard to the provisions of Rule 53(b) of the Federal Rules of Civil Procedure for the United States district courts.

"(3) A magistrate may be assigned such additional duties as are not inconsistent with the Constitution and laws of the United States.

"(4) Each district court shall establish rules pursuant to which the magistrates shall discharge their duties."

* * * * * * *

The growth in the size of the federal judiciary over the last ten years has been proceeding at a phenomenal rate. On June 30, 1965 there were 288 district judges, with annual combined civil and criminal filings of 101,000 cases. On June 30, 1974 there were 400 district judges, with combined annual civil and criminal filings of 143,000 cases. This represents a 40 percent increase in the number of judgeships, with a 43 percent increase in filings.

With this rate of growth we can expect to require a trial bench of 560 judges ten years from now with annual combined civil and criminal filings of about 200,000 cases. The Congress has added a number of new fields of litigation creating responsibilities and duties which never existed before. (Appendix A) The full impact of this legislation has not as yet been felt by the courts. The pressure has been compounded with the recent enactment of the Speedy Trial Bill.[1] It is mandatory that the district courts make greater use of their magistrates if the guidelines of that bill are to be achieved without further drastically increasing the size of the judiciary.

It is our considered judgment that we cannot continue to cope with this problem by increasing the number of district judges and the supporting staffs of law clerks, secretaries, court clerks, and court reporters, etc., with the concomitant need for huge additional physical space.

The Congress itself has asked about the utilization of magistrates in weighing the request for additional judges. During the recent hearings on the Omnibus Judgeship Bill, for example, the Senate Judiciary Subcommittee on Improvements in Judicial Machinery, strongly criticized the chief judges of several district courts who had been invited to testify as to their needs for additional judges because their courts had allegedly failed to take full advantage of the provisions of the Magistrates Act before seeking additional judge-power. Congress has not as yet, except in a few instances, really evaluated the huge expenditures for new buildings necessary to contain the burgeoning judiciary.

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[1] Public Law No. 93-619, January 3, 1975.

The Comptroller General submitted a report on the magistrates system to the Congress on September 19th which recommended in part that: (1) The Judicial Conference take the lead in encouraging district judges to make greater use of magistrates under the existing law; (2) the Congress further define the authority of magistrates; and (3) the Congress consider amending the Act to expand the trial jurisdiction of magistrates to include most misdemeanors.

Our proposal is simply that the first call on judges' time should be to try cases and to hear important matters such as preliminary injunctions. Full-time magistrates need not be appointed if the judge has sufficient time to handle his docket without help. Our traditional procedures have made the judge available for practically every possible application for relief except in minor circumstances. The suggested change is not as unusual as it sounds because it has been used for years in England through the system of masters.

The Report of the Committee to Study the Operation of the Masters in the English Judicial System (Appendix B) effectively demonstrates the ability of masters to handle virtually all civil pretrial matters in England. We are confident that we can successfully duplicate the English experience through the use of magistrates.

Essentially the magistrate is a judicial officer. He discharges his responsibilities *qua* magistrate in the pretrial area, and this is made clear in proposed section 636(b)(1). Any other responsibilities, such as a special master assignment, are set forth in a separate subdivision of section 636.

It was the lack of clarity in expressing this concept which led to many of the judicial decisions limiting the use of magistrates contrary to what appeared to have been the intent of Congress.[3] In any event, the proposed language clarifies what we think was the original intent in creating the office of magistrate and expands his duties.

Under the proposal the magistrates will play a major role in expediting civil and criminal litigation in the district courts. They will be empowered to conduct all pretrial conferences and hear any pretrial matter in the district court. Magistrates may determine, subject to review on application of a party, any motion which is not dispositive of the litigation. If the ruling of the magistrate will be dispositive of the litigation, he may only report his recommendation for disposition to the court. This limitation would apply to motions to dismiss and motions for summary judgment. It should also apply to motions to suppress evidence in criminal proceedings. Although not technically dispositive of the litigation, the ruling usually leads to disposition by a plea of guilty by the defendant or a dismissal or *nolle prosequi* by the prosecution.

The inherent justification of this proposal is evident when we consider the huge proportion of civil cases which are disposed of without meaningful intervention by judges. The figures for the fiscal year 1974 show that only 8,382 cases were disposed of by court or jury trial out of a total of 96,701 civil cases. This amounts to 8.7 percent. There is no doubt that many more cases are disposed of without trial because of the active intervention by the court. However, even the most liberal experience would show that these would not rise to 25 percent of the total. These 25 percent would continue to require meaningful judge intervention, but the remaining 75 percent would not be there for his attention under any circumstances. Finally, we see in this proposal a start in reducing the enormous amount of paper work now required by our procedures. There is no reason why a pretrial conference may not eventually be heard by a magistrate and counsel with the only piece of paper being the resulting order entered to guide counsel toward the ultimate trial, if one is necessary.

Magistrates will also be empowered to conduct evidentiary hearings on applications for post-trial relief and on prisoner petitions challenging conditions of confinement. This is an extension of the power presently existing in § 636(b)(3), whereby a magistrate may only recommend to the district judge whether or not an evidentiary hearing should be held. This provision is intended to apply to both federal and state prisoner petitions for post-trial relief and challenging conditions of confinement. The proposal conforms to any restrictions in *Wingo* v. *Wedding* (418 U.S. 461 (1974)) by explicitly granting the power "notwithstanding" any provision of the law to the contrary.

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[3] *Wingo* v. *Wedding*, 418 U.S. 461 (1974), *affirming* 483 F. 2d 1131 (6th Cir. 1973); *Flowers* v. *Crouch-Walker Corp.*, No. 72 C 2304 (7th Cir. December 18, 1974); *Ellis* v. *Buckhoe*, 491 F. 2d 716 (6th Cir. 1974); *Ingram* v. *Richardson*, 471 F. 2d 1268 (6th Cir. 1972); *TPO, Inc.* v. *McMillen*, 460 F. 2d 348 (7th Cir. 1972); *United States* v. *Eastmount Shipping Corp.*, 62 F. R. D. 437 (S.D.N.Y. 1974).

The argument may be made that the *de novo* review provisions will only create another layer in the judicial process. Experience to date in the nondispositive civil pretrial area of rulings by magistrates clearly shows that appeals are seldom taken by losing litigants. However, the right to review of nondispositive rulings will be available to the parties if they desire to take an appeal within the time provided by local rule, by filing objections with the district judge.

In the dispositive area of civil pretrial proceedings, habeas corpus and prisoner petitions, the magistrate may only recommend a disposition. This has been provided to avoid the possible constitutional objection that only an article III judge may ultimately determine the litigation. We are not prepared at this time to thrash out the issue, although there is respectable authority that finds Congressional power sufficient to avoid any constitutional objection. (Appendix C). The need for this proposal is such that we should proceed as suggested. We are confident that, with the continued appointment of competent lawyers as magistrates, their high level of performance will greatly diminish the requests for review. The English experience in the dispositive area of civil litigation, even with the unfettered right to appeal masters' rulings, shows that the number of appeals is minuscule.

It will be time enough after several years' experience with the proposed procedures to face the constitutional issues if it is suggested that the scope of review should be limited.

Finally, the magistrate should be permitted to be designated as a special master to try the issues in any civil case, subject to the procedures and limitations presently found in Fed. R. Civ. P. 53. However, if the parties consent, the court may designate a magistrate to act as a special master in the trial of the issues, without the limitations of Rule 53(b).

The proposed section provides that each district court shall establish rules for the discharge of a magistrate's duties. This requirement is found in the existing section. Experience has shown that districts have different local procedures and needs. Further, all districts do not use magistrates in the same fashion. They attempt to adapt the system to best serve their own local needs. The statute will give the power to act, and the districts can best determine how to use it. If the proposal is adopted, it is intended to issue a checklist of duties permissible under the statute for the guidance of local districts in drawing their rules.

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Section 1 of the bill amends subsection 636(b) of title 28 to broaden and clarify the jurisdiction of United States magistrates. It sets forth the general authority for the assignment of certain duties to magistrates by district judges and provides basic procedures governing the method for making such assignments and the scope of review afforded the parties.

Subsection (b)(1)—first sentence—Pretrial

Proposed subsection (b)(1) authorizes a district judge to designate a magistrate to hear any pretrial matter pending before the court. The power is clear and explicit and contemplates that the reference is to a magistrate as a judicial officer and that he exercises his functions *qua* magistrate. He is not another legal aide to the court, nor a special master, nor a para-judicial employee of the court.

Proposed subsection (b)(1) authorizes the designation of a magistrate to perform these duties, notwithstanding any provision of law to the contrary. Throughout the United States Code there are statutes which provide for the conduct of certain proceedings by the district courts and by the district judges. Many of these laws were enacted long before the concept of United States magistrates began to emerge. Such a statute was a primary basis for the Supreme Court's ruling in the *Wedding* case. Proposed subsection (b)(1) eliminates restrictions which such statutes might place on the use of magistrates in the only feasible manner. It would be far too cumbersome to search every federal statute and insert the words "or magistrate" in each appropriate situation. Proposed subsection (b)(1), however, does not remove possible constitutional restrictions on the use of magistrates (such as the provisions of article III) nor statutory restrictions which are not jurisdictional in nature (such as the basis for judicial disqualification of section 455 of title 28).

Proposed subsection (b)(1) is broadly worded to authorize the maximum use of magistrates prior to trial. It is not intended to interfere with the discreton of the district court as to the mode of pretrial or discovery proceedings. It is, however, intended to allow those district courts which choose to do so to fully utilize the services of United States magistrates.

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The designation may be made in a variety of ways suited to the needs of the particular district court. On the one hand, it could be made by the individual judge in a particular instance on a case by case basis. On the other extreme, a local rule of court could authorize the general assignment of all cases to a magistrate for the conduct of all pretrial proceedings. Under such a rule, the clerk would routinely send each case to a magistrate upon filing. The power to adopt such rules is contained in subsection (b)(4) and allows for full flexibility in procedures.

This subsection authorizes a magistrate to hear any matter that arises prior to trial in any civil or criminal case—including pretrial conferences, discovery questions, motions for continuance, motions for summary judgment, motions to dismiss, and motions for suppression of evidence.

As a necessary adjunct to this authority, a magistrate would be empowered to hear oral argument and to receive evidence and hear witnesses as he deems necessary. Proposed subsection (b)(1) does not include specific language on this point because the diversity of the issues and motions which might arise before a magistrate precludes a simple statement of such powers. It is felt that any attempt to define these powers by statute might result in the same type of limiting court interpretations which evolved under the existing statute. It would restrict the discretion of the magistrate to determine the nature of the hearing required or the authority of a district judge to order that a particular proceeding be conducted.

In those instances where the matter is not dispositive of the litigation, such as motions for continuances, questions on discovery, or matters of procedure, the magistrate is authorized to rule on the issues raised. The parties are provided an opportunity to appeal, of right, to the district judge. Where no party takes a timely appeal, the determination of the magistrate will become the ruling of the district co rt automatically.

Where the matter is dispositive of the litigation, the magistrate is empowered to conduct all proceedings necessary to reach a recommended determination of the matter. The magistrate will then submit a written report to the district judge for a final determination of the matter. Any party may object to any specific portion of the magistrate's report within time limits to be fixed by local court rules.

The study of the use of masters in the English judicial system and the experience with the use of magistrates in pretrial proceedings in several United States district courts suggest that magistrates can significantly assist the district courts by freeing the district judges from the conduct of proceedings prior to trial. The time of the judges is more effectively spent in the actual trial of cases and the writing of opinions. In addition, the trial judge will be able to take the bench free from any potential prejudice arising from participation in pretrial proceedings and settlement discussions.

Subsection (b)(1)- -ond sentence—Prisoner petitions

In addition, proposed subsection (b)(1) of 28 U.S.C. §636 specifically authorizes the designation of a magistrate to conduct evidentiary hearings and make recommendations for the disposition of applications for post-trial relief by individuals convicted of criminal offenses and of petitions challenging the conditions of confinement. The reference to the type of post-trial relief tracks the language of the exsiting statute and covers applications by both state and federal prisoners for *habeas* relief under 28 U.S.C. §§2254 and 2255. It does not cover applications for reduction of sentence, made to the judge who originally imposed the sentence, pursuant to Rule 35 of the Federal Rules of Criminal Procedure. Both federal and state prisoners are covered when the conditions of confinement are challenged.

The growing volume and increasing complexity of prisoner petitions have seriously burdened the federal courts. During the fiscal year 1974, petitions by federal and state prisoners accounted for 18 percent of all the civil cases filed in the district courts. The problem is heightened by the fact that most of these petitions are unevenly distributed among the courts.

Although petitions filed by prisoners challenging their conviction or conditions of confinement may raise serious legal and constitutional questions, the great majority of those filed in the federal courts are eventually dismissed for lack of merit. Proposed subsection (b)(1) expands the jurisdiction of United States magistrates by explicitly authorizing them to conduct evidentiary hearings on the facutal merits of prisoner controversies and to make recommendations to the district court for appropriate disposition. In light of the recent Supreme Court decision in the *Wedding* case, it is necessary that the power of magistrates to conduct evidentiary hearings in these cases be set forth explicitly in the statute.

The proposal will expedite prisoner litigation in the district courts and give prisoners prompt access to a competent judicial officer. In civil rights cases filed by inmates, for example, a magistrate will be able to conduct proceedings at the

prison facility for the court, by acting as an ombudsman or arbitrator, by promoting settlement of the dispute, or by conducting an evidentiary hearing where necessary. Following a prompt evidentiary hearing by a magistrate, moreover, a prisoner litigant is entitled as a matter of right to a *de novo* hearing of his petition before a district judge upon the filing of specific and timely objections to the magistrate's proposed findings of fact and conclusions of law.

Subsection (b)(1)—third sentence—Review

Finally, proposed subsection (b)(1) of 28 U.S.C. §636 provides that any party has a right to contest any determination, report, finding of fact, or conclusion of law made by a magistrate. In such cases, the district judge is required to conduct an inquiry into the specific allegations of error in the same manner as if he were hearing the matter initially. This proposed amendment is not intended to create any greater right to a full hearing before a district judge than would have existed if the issue had been presented to the judge in the first instance. Of course, the district judge need not conduct any hearing on those matters to which no specific objection is made.

The proposed amendment does not specify a particular time within which a party must object to a magistrate's determination. Proposed subsection (b)(1) authorizes the performance of widely diverse duties by magistrates. Accordingly, the fixing of specific time limits for particular proceedings is left to the normal rule-making processes for the district courts.

The study on the role of masters in the English judicial system emphasized the absence of time-consuming and wasteful paperwork in that country's courts. In adopting much of the English practice in the use of masters, it is not intended that a cumbersome requirement of extensive, written reports be engrafted onto the magistrate system. In the case of many simple and routine matters, not dispositive of the litigation, the magistrate will determine the issues raised, subject to the parties' right to appeal. In more complicated matters—particularly those requiring the conduct of an evidentiary hearing—a report which includes separate findings of fact, conclusions of law and a recommended disposition of the issues will be required to be made to the district judge. The parties will have an opportunity to object to any specific aspect of the report.

By requiring that a district judge conduct a *de novo* hearing on any specific objection raised by any party, proposed subsection (b)(1) may well generate some duplication of effort in a particular case. However, the experience to date on the use of magistrates in several United States district courts and the report of the role of masters in the English courts are persuasive that there will be, overall, a considerable savings of the time of district judges, since objections will normally be made only in a relatively few instances.

Subsection (b)(2)

Proposed subsection (b)(2) of 28 U.S.C. § 636 authorizes a magistrate to serve as a special master to try the issues of a case. The first sentence restates the authorization for such service which is contained in the existing statute. Service as a special master is restricted by the provisions of the Federal Rules of Civil Procedure where the reference is made over the objection of either party. Although the reference of a case to a magistrate as a special master does not entail the same objections as a reference to a private attorney, these restrictions are retained in light of the desire to meet any possible constitutional requirement that a litigant have the ultimate determination of his case made by an article III judge.

The second sentence of proposed subsection (b)(2) provides an exception to this general rule in those cases where the parties consent to the reference. This exception takes such cases out from the restrictions of Rule 53(b), which limits the conditions under which cases may be referred to a master, since no significant purpose is served by restricting the use of magistrates where the parties agree to this procedure. At the same time, Rule 53 contains many important rules governing the powers of masters, the conduct of proceedings before them, and the submission of reports. Proposed subsection (b)(2) retains these provisions in any case in which a magistrate is appointed as a special master.

Subsection (b)(3)

Proposed subsection (b)(3) provides for the assignment to a magistrate of any other duty not inconsistent with the Constitution and laws of the United States. A similar provision is contained in the existing legislation. This subsection enables the district courts to continue innovative experimentations in the use of this relatively new judicial officer. At the same time, placing this authorization in an entirely separate subsection emphasizes that it is not restricted in any way by any other specific grant of authority to magistrates.

Under this subsection, the district courts would remain free to experiment in the assignment of other duties to magistrates which may not necessarily be included in the broad category of "pretrial matters." This subsection would permit, for example, a magistrate to review default judgments, order the exoneration or forfeiture of bonds in criminal cases, and accept returns of jury verdicts where the trial judge is unavailable. This subsection would also enable the court to delegate some of the more administrative functions to a magistrate, such as the appointment of attorneys in criminal cases and assistance in the preparation of plans to achieve prompt disposition of cases in the court.

If district judges are willing to experiment with the assignment to magistrates of other functions in aid of the business of the courts, there will be increased time available to judges for the careful and unhurried performance of their vital and traditional adjudicatory duties, and a consequent benefit to both efficiency and the quality of justice in the Federal courts.

Subsection (b)(4)

Proposed subsection (b)(4) of 28 U.S.C. § 636 requires each district court to adopt local rules of court governing the performance of these duties by magistrates in the district. This requirement is carried over from the existing statute. It ensures that a magistrate will not be so burdened by assignments from one judge that he cannot assist the other judges in the district. Further, by requiring the promulgation of such local rules of the court, the statute provides the local bar at least some advance notice of the potential assignment of a case to a magistrate.

[The previously mentioned letters of Judges Belloni and Wellford follow:]

UNITED STATES DISTRICT COURT,
DISTRICT OF OREGON,
Portland, July 8, 1975.

Senator QUENTIN N. BURDICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BURDICK: Re: S. 1283. The district judges of the district of Oregon strongly support S. 1283 as printed on June 17, 1975.

This district has such a heavy caseload that we must of necessity utilize our magistrates to the best possible advantage. This bill will enable us to do that with a much more secure feeling than at present with the unsure state of the law respecting a magistrate's authority.

Attached hereto is a copy of a speech I made to the National Association of United States Magistrates at Colorado Springs, Colorado on May 15, 1975. It tells of the manner in which we use our full time magistrate.

Sincerely,

ROBERT C. BELLONI.

ROBERT C. BELLONI, CHIEF JUDGE, DISTRICT OF OREGON

I claim, somewhat immodestly, that the District of Oregon has utilized its United States Magistrates as effectively as any district in the country and has elevated the position to one of great importance to the bar and the courts. And, from the viewpoint of the magistrate himself, it has converted a potentially dull and underpaid position into an extremely satisfying and underpaid position.

Before I get into the role of the magistrate in Oregon I should briefly outline the system onto which it was engrafted and the condition of our court when we got our full time magistrate.

The District of Oregon was nearly overwhelmed with work. We are consistently in the top 20 districts with the heaviest caseloads. Each year our caseloads grow, sometimes as much as 20%. Each year our district judges simply absorbed the increase by working harder and more effectively. But obviously a point is soon reached where a district runs further behind even though the judges use every innovative device possible, along with its increased effort.

We had been watching the legislation to create the new office of magistrate with great interest and we did what we could to encourage its passage. When it became law we started planning in earnest for it. We really didn't know how much help we could get from the magistrate. We were disappointed with his limited authority. Our first decision was to find the best man in Oregon for the position and then convince him that he should take it. We looked over the most able and respected judges in the state judicial system, selected the one we wanted and then stole him. This might not be one of the best ways to foster federal-state relations but it is one of the best ways to get a federal magistrate. Our recruiting effort was made

easier by the fact that Oregon State judicial salaries were then even lousier than federal judicial salaries. His salary now, bad as it is, is equal to that paid to the Chief Justice of the Supreme Court of Oregon.

Oregon is one of the very few districts which continues to use the master calendar system. It is currently popular to run that system down and to extoll the virtues of the individual calendar. Nevertheless we believe it is the best system for Oregon. It's hard to convince us that we should change since each of our judges is trying nearly double the national average number of cases per year and our docket is current in spite of an overwhelming growth in our caseload.

We have three active district judges, one full time senior judge and a full time magistrate in Portland, where the vast majority of our cases are heard.

Our master calendar is facilitated by holding a monthly call for about ¼ of our 1100 pending cases. Lawyers for both sides appear for the call calendar. It is usually presided over by the chief judge or by the magistrate. The object is to facilitate the cases for trial. Each such call day all cases which are ready are set for trial on a week-certain some two or three months ahead.

In routine cases no district judge even sees these files until a couple weeks before trial when the case is assigned to a certain judge for a day-certain. That district judge then schedules a final pretrial conference and tries the case. All other problems—discovery motions, procedural motions, even motions which are dispositive are handled by our U.S. magistrate. With 1100 pending cases and 1100 civil filings a year this is indeed a big job. He hears approximately 80 motions per month or 1000 each year. A list of them is all inclusive—motions to make more definite and certain, for bills of particulars, for protective orders, change of venue, motions to dismiss, summary judgment motions.

But this is only a small part of his job. He handles all the traditional magistrate's criminal work. He has a very heavy part in administering the criminal calendar of about 300 cases per year including the taking of all not-guilty pleas and setting cases for trial. He appoints all counsel for indigent defendants. He holds evidentiary hearings and rules on motions to suppress and other important criminal pretrial motions.

In the post-trial cases, he hears and recommends a disposition in all *prisoner petition* cases. He held evidentiary hearings in all *habeas corpus* cases until we learned from *Wedding* v. *Wingo* that he couldn't *do* that. He takes most of our social security appeals on a recommendation and order basis.

Now this is not enough to keep him busy, so we give him *more—much* more.

When we set our trials for a week—certain we set far more than any four district judges can handle so that when cases settle all our judges have another case in the wings. In no other way could we possibly each be trying the large number of cases that we do. Sometimes, of course, we find that the expected percentages of cases did not settle and we have more trials than four district judges are able to handle. What do we do? You guessed it—we call on Magistrate Juba. The lawyers stipulate and Judge Juba presides over the jury or nonjury trial exactly as if he were a district judge. Even when the district judges are able to take all the cases, one trial follows another so closely that in order to get to the next case without delay, Judge Juba will receive the verdict in a case tried by one of the other judges and he will preside over the voir dire and jury selection of a trial to begin momentarily before a judge who is putting the finishing touches on his current case.

Complex civil cases are handled differently. Those are assigned to a particular judge when they are first filed. He schedules all discovery and handles all motions through the course of the case and then tries it.

There is one exception to this practice. Magistrate Juba does this for the 25% of those cases which are assigned to me. This allows me time to do the necessary administrative work which falls to the chief judge. I take a full case load but I do gain this extra time by being relieved by the magistrate. I get the complex case back from George when it's fully ready to try.

How does he do all of this wihtout a law clerk? He can't. I have two law clerks on my personal staff and I assign one of them at a time to work full time for Judge Juba. I need them both myself but he needs one worse than I need two and he does relieve me of the pretrial burden of my complex cases.

I will not go into all of the functions of our full time magistrate but some of the other interesting duties are: He tries the damage issue in complex cases when liability has been admitted or established. He usually does this by stipulation rather than as a special master. He hears default cases where the court needs testimony before it can comfortably grant a judgment. He supervises and trains

our part time magistrates. He does many more things. The list could go on and on. In fact the list of judicial duties which he does not do would be a short list. Unfortunately he does not and cannot hear even minor indirect contempt cases. Remedial legislation is needed there.

As to S.1283, this is the Oregon practice. In other words George Juba hears and determines all pretrial motions except those that are dispositive. He hears the dispositive motions and recommends. If the district judge agrees he simply certifies, "After reviewing the file and record in this case, I approve the above recommendation."

The only difference in our practice and S.1283 is that the bill requires a provision for review. We don't even have a provision for review. Ideally, I would leave it out of the bill but I'm afraid it wouldn't pass without it.

How can we do all of this? We just do it. It's not necessary that we find authority in black and white before we give something to the magistrate. Congress intended for the courts to be innovative and to figure out the best way to utilize the magistrate. To do this we can't be timid. We must try our wings. Sure we might get shot down once in awhile by an appellate court. So what? How else are we going to find out how far we can go. How else can we expand our jurisdiction so that the magistrate becomes a useful judicial officer? Indeed it may just be that the Oregon experiment, since it works, will help pass S. 1283. Unquestionably our practices have been responsible for broadening magistrate powers in cases in which our practices have been appealed. It is true that we have a circuit, the 9th, which is sympathetic with our goals of strengthening the magistrates.

When I tell you that the Oregon practice is the one proposed in S. 1283 I do not mean that S. 1283 is not necessary. It is necessary and we in Oregon are 100% behind it. I do believe though that in the 9th circuit opinions, we can find authority for everything he does. Oh, we have no authority which says he can preside over trials but we start with the assumption that a magistrate can do almost anything a district judge can if the parties agree to it in advance. We feel *Campbell* v. *U.S.* is authority for him to hear dispositive motions and recommend. That was a criminal case. The magistrate heard and decided the facts and he ruled on a motion to suppress which was, in that case, dispositive. If he can do all of that I think he can do everything S. 1283 calls for.

How can we do so much more with our magistrate than some other districts? There are several ingredients.

1. District Court Judges who from necessity instituted the program and saw it work.
2. A circuit that believes the magistrate should be given broad authority.
3. A magistrate that commands the respect of the local bar and of his own article III judges.

Let me talk to you about this third ingredient; the respect and confidence of the bar. A magistrate can only be as effective as the bar will allow him to be.

It would do the district court no good for the magistrate to hear 1,000 cases a year if the lawyers requested a review of all of them.

Obviously he couldn't try jury and non jury cases without a stipulation but lawyers will stipulate, if and only if, they have as much respect and confidence in the magistrate as they do in the district judges. Thus it behooves courts who wish to have effective magistrates to have the best. The selection process is important. Salaries should be substantially increased. And magistrates themselves should provide for their own continuing education through the Federal Judicial Center and through seminars such as this one being held in Colorado Springs.

I will close this opening statement by telling you something that I sincerely believe but I have no way to prove it.

I sincerely believe that if I had one full time magistrate who could work with me exclusively, this two-judge team could produce *at least double* the amount of judicial work that I can now do as an individual district judge.

UNITED STATES DISTRICT COURT,
WESTERN DISTRICT OF TENNESSEE,
Memphis, Tenn., June 12, 1975.

Senator QUENTIN BURDICK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: I read with interest the introduction of your Senate Bill 1283 which would expand the jurisdiction of United States Magistrates. Since perhaps more questions have been raised in our particular Circuit, the Sixth Circuit, with regard to the use of magistrates, we are particularly interested in this

legislation and hope that you might be successful in persuading your fellows to bring about its enactment. We believe that it would be of great assistance in our duties and responsibilities, particularly with respect to post-conviction applications and prisoner petitions.

Please advise us the names of any other Senators to whom we should write in respect to consideration of this legislation.

Yours very truly,

HARRY W. WELLFORD.

[Whereupon, at 10 a.m., the committee recessed, subject to the call of the Chair.]

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[COMMITTEE PRINT]

SEPTEMBER 13, 1975

94TH CONGRESS
1ST SESSION

S. 1283

IN THE SENATE OF THE UNITED STATES

MARCH 21 (legislative day, MARCH 12), 1975

Mr. BURDICK (by request) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

[Omit the part struck through and insert the part printed in italic]

A BILL

To improve judicial machinery by further defining the jurisdiction of United States magistrates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 636(b) of title 28, United States Code, is amended to read as follows:

"~~(b)(1) Notwithstanding any provision of law to the contrary, a judge may designate a magistrate to hear and determine, subject to review as hereinafter provided, any pretrial matter pending before the court except motions which are dispositive of the litigation, the disposition of which the magistrate may recommend, but not order. A judge may~~

~~also designate a magistrate to conduct evidentiary hearings and make recommendations for the disposition of applications for post-trial relief made by individuals convicted of criminal offenses and prisoner petitions challenging conditions of confinement. Upon timely request, as fixed by local rule of court, by any party who has appeared before the magistrate, either personally of by submission of affidavits or brief, the court shall hear de novo those portions of the report or specific proposed findings of fact or conclusions of law to which objection is made.~~

~~"(3) A judge may designate a magistrate to serve as a special master pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts. A judge may designate a magistrate to serve as a special master in any civil case, upon consent of the parties, without regard to the provisions of rule 53(b) of the Federal Rules of Civil Procedure for the United States district courts.~~

~~"(3) A magistrate may be assigned such additional duties as are not inconsistent with the Constitution and laws of the United States.~~

~~"(4) Each district court shall establish rules pursuant to which the magistrates shall discharge their duties.".~~

"(b)(1) Notwithstanding any provision of law to the contrary—

"(A) a judge may designate a magistrate to hear and determine any pretrial matter pending before the court, except a motion for injunctive relief, for judgment on the pleadings, for summary judgment, to dismiss or quash an indictment or information made by the defendant, to suppress evidence in a criminal case, to dismiss or to permit maintenance of a class action, to dismiss for failure to state a claim upon which relief can be granted, and to involuntarily dismiss an action for failure to comply with an order of the court. A judge of the court may reconsider any pretrial matter under this subparagraph (A) where it has been shown that the magistrate's order is clearly erroneous or contrary to law.

"(B) a judge may also designate a magistrate to conduct hearings, including evidentiary hearings, and to submit to a judge of the court proposed findings of fact and recommendations for the disposition, by a judge of the court, of any motion excepted in subparagraph (A), of applications for posttrial relief made by individuals convicted of criminal offenses and of prisoner petitions challenging conditions of confinement.

"(C) the magistrate shall file his proposed findings and recommendations under subparagraph (B) with the court and a copy shall forthwith be mailed to all parties.

Within ten days after being served with a copy, any party may serve and file written objections to such proposed findings and recommendations as provided by rules of court. A judge of the court shall accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate. The judge may also receive further evidence or recommit the matter to the magistrate with instructions.".

R.A. 49

[COMMITTEE PRINT]

SEPTEMBER 15, 1975

94TH CONGRESS
1ST SESSION

S. 1283

A BILL

To improve judicial machinery by further defining the jurisdiction of United States magistrates, and for other purposes.

By Mr. BUMPERS

MARCH 21 (legislative day, MARCH 12), 1975
Read twice and referred to the Committee on the Judiciary

[COMMITTEE PRINT]

94TH CONGRESS } SENATE { REPORT
1st Session } { No. 94–

JURISDICTION OF U.S. MAGISTRATES

———Ordered to be printed

Mr. ———, from the Committee on the Juidiciary, submitted the following

REPORT

[To accompany S. 1283]

The Committee on the Judiciary, to which was referred the bill (S. 1283) to improve judicial machinery by further defining the jurisdiction of the United States magistrates, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

PURPOSE OF THE BILL

The purpose of the bill is to amend section 636(b), title 28 United States Code, in order to clarify and further define the additional duties which may be assigned to a United States Magistrate in the discretion of a judge of the district court. These additional duties generally relate to the hearing of motions in both criminal and civil cases, including both preliminary procedural motions and certain dispositive motions. The bill provides for different procedures depending upon whether the proceeding involves a matter preliminary to trial or a motion which is dispositive of the action. In either case the order or the recommendation of the magistrate is subject to final review by a judge of the court.

AMENDMENT

The committee proposes an amendment by striking everything commencing at page 1, line 5, of the bill through line 4, page 3, of the bill and inserting in lieu thereof the following:

(b) (1) Notwithstanding any provision of law to the contrary—

(A) a judge may designate a magistrate to hear and determine any pretrial matter pending before the court, except a motion for injunctive relief, for judgment on

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the pleadings, for summary judgment, to dismiss or quash an indictment or information made by the defendant, to suppress evidence in a criminal case, to dismiss or to permit maintenance of a class action, to dismiss for failure to state a claim upon which relief can be granted, and to involuntarily dismiss an action for failure to comply with an order of the court. A judge of the court may reconsider any pretrial matter under this subparagraph (A) where it has been shown that the magistrate's order is clearly erroneous or contrary to law.

(B) a judge may also designate a magistrate to conduct hearings, including evidentiary hearings, and to submit to a judge of the court proposed findings of fact and recommendations for the disposition, by a judge of the court, of any motion excepted in subparagraph (A), of applications for post-trial relief made by individuals convicted of criminal offenses and of prisoner petitions challenging conditions of confinement.

(C) the magistrate shall file his proposed findings and recommendations under subparagraph (B) with the court and a copy shall forthwith be mailed to all parties. Within ten days after being served with a copy, any party may serve and file written objections to such proposed findings and recommendations as provided by rules of court. A judge of the court shall accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate. The judge may also receive further evidence or recommit the matter to the magistrate with instructions.

Purpose of Amendment

The purpose of the amendment is to further perfect the language of the proposed new section 636(b)(1) as amended by Printed Amendment No. 589. This further amendment grants to the magistrates the power (1) to hear and determine certain pretrial motions, and (2) to hear and recommend a disposition of certain dispositive motions, including certain habeas corpus proceedings and certain prisoner petitions. In each case a review by a district court judge is required.

Statement

When the Congress enacted the Magistrates Act in 1968 (P.L. 90–578), it created a system of full-time and part-time judicial officers who would perform various judicial duties under the supervision of the district courts in order to assist the judges of these courts in handling an ever-increasing caseload.

In the 93rd Congress, the Judiciary Subcommittee on Improvements in Judicial Machinery held 17 days of hearings, during which extensive inquiry was made into the caseload of federal district courts. During these hearings, the chief judges of 44 of the federal judicial districts personally appeared and testified before the subcommittee. The vast majority of the chief judges who testified stated that the magistrates were of assistance to the court in handling certain preliminary matters in both civil and criminal cases, and were of greatest assistance in handling petitions for the issuance of a writ of habeas corpus made by both state and federal prisoners in an effort to obtain a collateral review of the original conviction. A few of the district courts which had not made extensive use of the services of the magistrates were encouraged to do so as a means of freeing time of district court judges to preside at trials of other cases.

In several of the districts, the majority of the judges of the court authorized magistrates to hold evidentiary hearings in habeas corpus cases and to submit to a judge of the court recommended findings of fact and conclusions of law dispositive of the petition for a writ of habeas corpus. The recommendations of the magistrate would be reviewed by the judge who would then exercise the ultimate authority to issue an appropriate order.

However, on June 26, 1974, in the case of *Wingo* v. *Wedding*, 418 U.S. 461, the Supreme Court of the United States interpreted Section 636(b) of Title 28 of the U.S. Code, as authorizing the magistrate to make merely a "preliminary review" of a prisoner petition and expressly held that the statutory language did not evidence any intent by Congress that the magistrate be authorized to hold an evidentiary hearing in a habeas corpus proceeding

In a dissenting opinion, the Chief Justice and Justice White dissented on the basis that Section 636(b) "should be interpreted to permit magistrates to conduct evidentiary hearings in federal habeas corpus cases", since such an interpretation would serve the principle objectives of the Magistrates Act. The dissenting opinion concluded with the following statement:

> In any event, now that the Court has construed the Magistrates Act contrary to a clear legislative intent, it is for the Congress to act to restate its intentions if its declared objectives are to be carried out.

The bill under consideration by the committee would accomplish this restatement and clarification of the Congressional intention that the magistrate should be a judicial officer who, not only in his own right but also under general supervision of the court, shall serve as an officer of the court in disposing of minor and petty criminal offenses, in the preliminary or pretrial processing of both criminal and civil cases, and in hearing dispositive motions and evidentiary hearings when assigned to the magistrate by a judge of the court.

In addition to *Wingo* v. *Wedding* there are several other court decisions the result of which would be overcome by passage of this bill. In *T.P.O.* v. *McMillan* (7th Cir. 1972) 460 F.2d 348, the court held that a magistrate could not hear a motion to dismiss or a motion for summary judgment, even though an appeal was allowed from a final order of a magistrate to a judge of the district court. In *Ingram* v. *Richardson* (6th Cir. 1972) 471 F.2d 1268, the court held that a magistrate had no power to review the Secretary's denial of social security benefits and to make proposed findings of fact and conclusions of law which proposed order was then submitted to a district court judge for final decision. In *T.P.O.* v. *McMillan*, supra, the court stated:

> We need not speculate in regard to what civil functions the magistrate can constitutionally perform, however, since Congress carefully intended that in regard to civil cases the magistrate was not empowered to exercise ultimate adjudicatory or decision making.

Also, in *Wilver* v. *Fischer* (10th Cir. 1967) 387 F.2d 66, which predated the Magistrates Act, the court held that a master could not be appointed to supervise discovery proceedings in civil actions.

In 1968, when the Magistrates Act was passed, the total filings in the United States District Courts were 102,000 cases. In 1974, total filings amounted to 143,000 cases. In 1968, there were 323 district court judges. In 1974, there were 400 district court judges. The Congress in enacting the Magistrates Act manifested its intention to create a judicial officer and to invest in him the power to furnish assistance to a judge of the district court. The magistrate was given jurisdiction over petty criminal offenses and the Act also gave each district court the discretionary power to use the magistrate to assist a district court judge "in the conduct of pretrial or discovery proceedings in civil or criminal actions" and to make a "preliminary review of applications for posttrial relief" and to submit a report and recommendations "to facilitate the decision of the district judge having jurisdiction over the case as to whether there should be a hearing".

The language quoted above is from the 1968 Magistrates Act. In *T.P.O.* v. *McMillan*, the decision restricting the power of magistrates in pretrial proceedings hinged on the judicial interpretation of congressional intent. Similarly, in *Wingo* v. *Wedding* the authority of the magistrate to hold an evidentiary hearing in a habeas corpus proceeding also hinged on an interpretation of congressional intent.

It seems to the committee that in 1968 the Congress clearly indicated its intent that the magistrate should be a judicial officer whose purpose was to assist the district judge to the end that the district judge could have more time to preside at the trial of cases, having been relieved of part of his duties which required the judge to personally hear each and every pretrial motion or proceeding necessary to prepare a case for trial. That the magistrate has fulfilled this function seems clear from the statistics relating to magistrate activity in F.Y. 1974. In that year magistrates handled a volume of matters as shown in the following table:

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Criminal cases:	
Minor offenses	11,242
Petty offenses	71,463
Arrest warrants	27,029
Search warrants	3,649
Bail hearings	58,634
Preliminary examinations	7,124
Removal hearings	2,816
Subtotal	182,857
Post indictment arraignments	13,906
Pretrial conferences	6,313
Pretrial motions	7,118
Other criminal matters	691
Subtotal	28,028
Total criminal matters	210,885
Civil cases:	
Prisoner petitions	7,455
Pretrial conferences	15,743
Motions	5,985
Special master reports	367
Social security cases	277
Narcotic addict rehabilitation cases	320
Other civil matters	1,897
Total civil cases	32,044

Rather than constituting "an abdication of the judicial function", it seems to the committee that the use of a magistrate under the provisions of S. 1283, as amended, will further the congressional intent that the magistrate assist the district judge in a variety of prerial and preliminary matters thereby facilitating the ultimate and final exercise of the adjudicatory function at the trial of the case.

The Federal Rules of Civil Procedure provide many opportunities for the parties by motion to invoke a decision of the court. These opportunities range from a motion under Rule 6(b) to extend the time for an act, or a motion under Rule 4(e) specifying the manner of serving a summons, to a motion under Rule 12(b) to dismiss, or a motion under Rule 56 for summary judgment on the grounds that there is no genuine issue of fact to justify a trial. In between these extremes are various motions relating to discovery, to production of evidence, to physical examination of a party, to join necessary or proper parties, to set the time and place of a disposition, to suppress evidence, and to hold a pretrial conference under Rule 16, and others too numerous to mention.

Without the assistance furnished by magistrates in hearing matters of this kind, and others not specifically named, it seems clear to the committee that the judges of the district courts would have to devote a substantial portion of their available time to various procedural steps rather than to the trial itself.

Therefore, the committee has concluded that the enactment of S. 1283, as amended, will further improve the judicial system by clearly defining the additional duties which a judge of the district court may assign to a magistrate in the exercise of the discretionary power to so assign as contained in Section 636(b) of Title 28 United States Code as herein amended.

Before turning to a detailed explanation of the bill, the committee believes that it should comment upon the contention that Article III of the Constitution imposes a limitation upon the judicial functions which this bill vests in a magistrate. In the federal court system, the primary court of general jurisdiction has always been the district court and, as such, it is an "inferior court" ordained and established by the Congress under Article III. But this is not to say that the Congress may not create other inferior courts. For example, it is believed that it would be competent for the Congress to create below the district courts a court of limited jurisdiction which would be roughly the equivalent of a municipal court in some of the state systems. Multi-tiered court systems developed simply in recognition of the fact that certain cases and judicial functions are of differing importance so as to justify different treatment by the court system. While the U.S. District Court has long been a single tiered court as far as original jurisdiction is concerned, the Congress has nevertheless recognized that it is not feasible for every judicial act, at every stage of the proceeding, to be performed by "a judge of the court".

In several instances, the Congress has vested in officers of the court, other than the judge, the power to exercise discretion in performing an adjudicatory function, subject always to ultimate review by a judge of the court. For example, a judgment or order of a referee in bankruptcy, adjudicating legal rights, is a final order unless an appeal is taken to a judge of the district court. Title 11 U.S.C., section 67(c); Rule 801, Rules of Bankruptcy Procedure.

Also, section 636(a)(3) of Title 28 vests in the magistrates the power to try persons accused of minor criminal offenses, which power was formerly vested in a United States Commissioner. Thus, under section 3401 of Title 18 United States Code, the magistrate has jurisdiction to try minor offenses and under section 3402 of Title 18, an appeal may be taken from the judgment of the magistrate to a judge of the district court.

Finally, section 1920 of Title 28 United States Code authorizes "a judge or clerk of any court" to tax costs in a case. Rule 54(d) of the Rules of Civil Procedure implements section 1920 by providing that costs may be taxed by the clerk on one day's notice and that on notice "the action of the clerk may be reviewed by the court". Therefore, by analogy, the committee believes that the judicial functions vested in the magistrates, as a judicial officer, by this bill are not in violation of Article III of the Constitution.

Explanation of the Bill

No changes are made in section 636(a) of title 28 under which magistrates exercise the powers with respect to issuance of arrest warrants, search warrants, setting bail, preliminary hearings, and the trial of minor and petty offenses under section 3401 of title 18, United States Code.

The bill revises in its entirety section 636(b) under which magistrates could be assigned certain additional duties in the discretion of the court. This discretionary power to assign additional duties to a magistrate is continued but the discretion is vested in a judge of the district court rather than in a majority of all the judges of the court.

Of course the scope of any permissible additional duties to be assigned can still be agreed upon by a majority of the judges, but the bill will permit exercise of the actual power of assignment to a single judge. Since assignments are frequently made in individual cases, or on an ad hoc basis, it seems preferable to vest the power in a single judge who can execute any required order of assignment or reference.

The initial sentence of the revised section uses the phrase "notwithstanding any provision of law to the contrary—". This language is intended to overcome any problem which may be caused by the fact that scattered throughout the code are statutes which refer to "the judge" or "the court". It is not feasible for the Congress to change each of those terms to read "the judge or a magistrate". It is, therefore, intended that the permissible assignment of additional duties to a magistrate shall be governed by the revised section 636(b), "notwithstanding any provision of law" referring to "judge" or "court".

The additional duties which can be assigned to a magistrate are classified into three categories set forth in subparagraphs (A) and (B) of subsection 636(b)(1) and in subsection 636(b)(2). These categories and the scope of the magistrates authority are as follows:

1. Pretrial matters.—Under subparagraph (A) a judge, in his discretion, may assign any pretrial matter to be heard and determined by a magistrate. In scope, this includes a great variety of preliminary motions and matters which can arise in the preliminary processing of either a criminal or a civil case. As indicated by the statistical table set forth earlier in this report many of the magistrates are already hearing these pretrial matters under the authority contained in subsection 636(b)(2) of the present law. A statement was received at the hearing on July 16, 1975, from Chief Judge Belloni of the District of Oregon setting forth a description of the various motions and pretrial proceedings which have been assigned to Magistrate Juba by the judges of the Oregon Court. A similar scope of additional duties is intended for magistrates under the provisions of S. 1283, as amended. Thus, the revised law will not unduly extend the magistrates' authority to hear pretrial matters but it will clarify the broad authority to refer "any pretrial matter".

Subject to the exception of the dispositive motions expressly named in subparagraph (A), the magistrate shall have the authority to not only hear the pretrial matter but also to enter an order determining the issue raised by the motion or proceedings. The magistrate's determination is intended to be "final" unless a judge of the court exercises his ultimate authority to reconsider the magistrate's determination.

The last sentence of subparagraph (A) makes it clear that a judge of the court has the ultimate judicial prerogative to review and reconsider a motion or matter "where it has been shown that the magistrate's order is clearly erroneous or contrary to law". The standard of "clearly erroneous or contrary to law" is consistent with the accepted and existing practice followed in most district courts when reviewing a pretrial matter assigned to a magistrate under existing law.

Use of the words "may reconsider" in subparagraph (A) is intended to convey the congressional intent that a matter "heard and determined" by the magistrate need not in every instance be heard a second time by the judge. However, if a party requests reconsideration based

upon a showing that the magistrate's order is clearly erroneous or contrary to law then the judge must reconsider the matter.

Thus, the revision proposed in this bill makes it clear that Congress intends that the magistrate shall have the power to make a determination of any pretrial matter (except the enumerated dispositive motions) and that his determination set forth in an appropriate order shall be "final" subject only to the ultimate right of review by a judge of the court. Under section 631 of the Magistrate Act (28 USC 631), a magistrate is required to be a member of the bar whose experience in the practice of law has been such as to persuade the appointing judges that he is competent to perform the duties of the office. If a particular magistrate does not have this competence it is assumed that a judge would not assign particular matters to the magistrate for hearing and determination. However, assuming such competence, it seems to the Committee to be inefficient and duplicative to require a "report and recommendation" from the magistrate to the judge as a prelude to a separate order by the judge in order to dispose of preliminary and pretrial matters. Thus the statute uses the term "hear and determine" in vesting the authority of a magistrate, subject, of course, to ultimate review by the court.

While subparagraph (A) does not specify a procedure to be followed by a party in obtaining reconsideration of a magistrate's order by the judge, it would normally be by motion duly served, filed and noticed. However, in some districts the local rules now in existence provide merely that the request for review be in a letter or other written form. Nor is a fixed time specified within which to obtain review of a magistrate's order in "any pretrial matter", since what is a timely request to a judge of the court will depend upon the nature of the pretrial matter. For example, an order by the magistrate under Rule 13(f) granting leave to serve and file an amended pleading asserting an omitted counterclaim, could be reviewed by a judge in due course and at a time set by the court or noticed by the parties. In such an instance there would be ample time within which the matter could be reconsidered. On the other hand, suppose a pretrial order under Rule 16 is issued by the magistrate following a pretrial conference held a week or less before a day certain setting for trial. In that instance, time is of the essence and review of the order by a judge should be sought and the matter reconsidered as soon as possible. Thus, under subparagraph (A), it is intended that the method and procedure for seeking reconsideration of a magistrate's determination of a pretrial matter can be set by local rules of court pursuant to section 636(b)(4), or by uniform rules, if uniformity is deemed necessary.

2. Dispositive motions, Habeas Corpus, and Prisoner Petitions.—As stated previously in this report, certain motions which are dispositive of the litigation are specifically excepted from the magistrate's power under subparagraph (A) "to hear and determine". These excepted motions are:

(1) A motion for injunctive relief;
(2) A motion for judgment on the pleadings;
(3) A motion for summary judgment;
(4) A motion to dismiss or quash an indictment made by the defendant;
(5) A motion to suppress evidence in a criminal case;

(6) A motion to dismiss for failure to state a claim upon which relief can be granted; and,

(7) A motion to involuntarily dismiss an action for failure to comply with an order of the court.

It is not intended that a magistrate shall have the power under subparagraph (A) "to hear and determine" such dispositive motions. However, depending upon the qualifications and competence of a particular magistrate, it is intended that under subparagraph (B) a judge of the court, in his discretion, may assign such dispositive motions to a magistrate for hearing and submission of proposed findings and recommendation to a judge of the court for ultimate disposition.

Not only may these dispositive motions be assigned to the magistrate under subparagraph (B) but also there may be assigned application for posttrial relief made by individuals convicted of criminal offenses and petitions under section 1983 of title 42 United States Code brought by prisoners' challenging the conditions of their confinement. The authority of the magistrate under subparagraph (B) is clearly more than authority to make a "preliminary review". It is the authority to conduct hearings and where necessary to receive evidence relevant to the issues involved in these matters. Therefore, passage of S. 1283, as amended, will supply the congressional intent found wanting by the Supreme Court in *Wingo* v. *Wedding*, supra. Also this bill will overcome the effect of the decision in *T.P.O.* v. *McMillan*, supra, relating to motions to dismiss or motions for summary judgment. Further, passage of this bill will also permit a judge to refer to a magistrate the consideration and study of cases brought to review the Secretary's determination of entitlement to benefits under the Social Security Act, since these matters usually involve a motion by the agency for summary judgment.

Under subparagraph (B) the magistrate is required to submit proposed findings and his recommendation to the judge for disposition of the various proceedings included in subparagraph (B). As specified in subparagraph (C) a copy of the proposed findings and recommendation must be mailed to all parties. Written objections must be filed within 10 days. This is substantially the procedure and the time limit specified in Rule 53 where there has been a reference to a master. The bill would permit the court by local rules to specify whether the written objections must be in the form of a motion or other written form, as well as to specify any procedure for bringing the matter on for a formal hearing, if a formal hearing is to be required.

The judge is given the widest discretion to "accept, reject or modify" the findings and recommendation proposed by the magistrate, including the power to remand with instructions. Thus, it will be seen that under subparagraph (B) and (C) the ultimate adjudicatory power over dispositive motions, habeas corpus, prisoner petitions and the like is exercised by a judge of the court after receiving assistance from and the recommendation of the magistrate.

3. Special Master and Trial by Consent.—The third category of magistrates' additional duties is set forth in the proposed subsection 636(b)(2). The subsection expressly authorizes the magistrate to be appointed as a special master under Rule 53 of the Federal Rules of Civil Procedure. This merely carries forward the same provision in

section 636(b)(1) of the existing law. This also carries with it a requirement that if a party objects to the reference to a master, the requirements and restrictions of Rule 53 must be met.

The second sentence of this subsection provides an exception to this the magistrate, to serve where one of the parties objects to the reference. This exception takes such cases out from the restrictions of Rule 53(b), which limits the conditions under which cases may be referred to a master, since no significant purpose is served by restricting the use of magistrates where the parties agree to this procedure. At the same time, Rule 53 contains many important rules governing the powers of masters, the conduct of proceedings before them, and the submission of reports. Thus, subsection 636(b)(2) retains these provisions in any case in which a magistrate is appointed as a special master.

Enactment of this new subsection 636(b)(2), and experience in the use of magistrates as special masters, may serve to occasion a reappraisal of the power of the court to appoint a special master, i.e., the magistrate, to serve where one of the parties objects to the reference. [See. *La Buy* v. *Howes Leather Co.* (1957), 352 U.S. 249.] Indeed, the magistrate is not an attorney in private practice "appointed on an ad hoc basis" and the magistrate is experienced in judicial work.

Other Provisions of the Bill

Proposed subsection 636(b)(3) provides for the assignment to a magistrate of any other duty not inconsistent with the Constitution and laws of the United States. A similar provision is contained in the existing legislation. This subsection enables the district courts to continue innovative experimentations in the use of this judicial officer. At the same time, placing this authorization in an entirely separate subsection emphasizes that it is not restricted in any way by any other specific grant of authority to magistrates.

Under this subsection, the district courts would remain free to experiment in the assignment of other duties to magistrates which may not necessarily be included in the broad category of "pretrial matters". This subsection would permit, for example, a magistrate to review default judgments, order the exoneration or forfeiture of bonds in criminal cases, and accept returns of jury verdicts where the trial judge is unavailable. This subsection would also enable the court to delegate some of the more administrative functions to a magistrate, such as the appointment of attorneys in criminal cases and assistance in the preparation of plans to achieve prompt disposition of cases in the court.

If district judges are willing to experiment with the assignment to magistrates of other functions in aid of the business of the courts, there will be increased time available to judges for the careful and unhurried performance of their vital and traditional adjudicatory duties, and a consequent benefit to both efficiency and the quality of justice in the Federal courts.

Proposed subsection 636(b)(4) permits each district court to adopt local rules of court governing the performance of these duties by magistrates in the district. This requirement is carried over from the existing statute. It ensures that a magistrate will not be so burdened by assignments from one judge that he cannot assist the other judges in the district. Further, by requiring the promulgation of such local

rules of the court, the statute provides the local bar at least some advance notice of the potential assignment of a case to a magistrate. As discussed previously in this report, these local rules may also specify procedures for obtaining reconsideration of a magistrate's order under subparagraph (A) and may supplement the procedure for objection to proposed findings and recommendations under subparagraphs (B) and (C).

COMMUNICATIONS

A representative of the Judicial Conference of the United States testified at the hearing and conveyed to the committee the Conference Committee on Magistrates' support of S. 1283, as amended. Most of the perfecting amendments suggested by the witness were adopted by the Senate Committee.

ESTIMATED COST

Enactment of the bill does not involve any direct additional cost to the government.

SECTIONAL ANALYSIS

Each section of the bill is discussed in detail in the body of the report.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law is shown in roman, matter repealed enclosed in black brackets, and new matter is printed in italic):

TITLE 28, UNITED STATES CODE

CHAPTER 43—UNITED STATES MAGISTRATES

§ 636. Jurisdiction, powers, and temporary assignment.

* * * * * * *

[(b) Any district court of the United States, by the concurrence of a majority of all the judges of such district court, may establish rules pursuant to which any full-time United States magistrate, or, where there is no full-time magistrate reasonably available, any part-time magistrate specially designated by the court, may be assigned within the territorial jurisdiction of such court such additional duties as are not inconsistent with the Constitution and laws of the United States. The additional duties authorized by rule may include, but are not restricted to—

(1) service as a special master in an appropriate civil action, pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts;

(2) assistance to a district judge in the conduct of pretrial or discovery proceedings in civil or criminal actions; and

(3) preliminary review of applications for posttrial relief made by individuals convicted of criminal offenses, and submission of a report and recommendations to facilitate the decision of the dis-

trict judge having jurisdiction over the case as to whether there should be a hearing.]

"(b)(1) *Notwithstanding any provision of law to the contrary—*

"(A) *a judge may designate a magistrate to hear and determine any pretrial matter pending before the court, except a motion for injunctive relief, for judgment on the pleadings, for summary judgment, to dismiss or quash an indictment or information made by the defendant to suppress evidence in a criminal case, to dismiss or to permit maintenance of a class action, to dismiss for failure to state a claim upon which relief can be granted, and to involuntarily dismiss an action for failure to comply with an order of the court. A judge of the court may reconsider any pretrial matter under this subparagraph (A) where it has been shown that the magistrate's order is clearly erroneous or contrary to law.*

"(B) *a judge may also designate a magistrate to conduct hearings, including evidentiary hearings, and to submit to a judge of the court proposed findings of fact and recommendations for the disposition, by a judge of the court, of any motion excepted in subparagraph (A), of applications for post-trial relief made by individuals convicted of criminal offenses and of prisoner petitions challenging conditions of confinement.*

"(C) *the magistrate shall file his proposed findings and recommendations under subparagraph (B) with the court and a copy shall forthwith be mailed to all parties. Within ten days after being served with a copy, any party may serve and file written objections to such proposed findings and recommendations as provided by rules of court. A judge of the court shall accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate. The judge may also receive further evidence or recommit the matter to the magistrate with instructions.*

"(2) *A judge may designate a magistrate to serve as special master pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States District Courts. A judge may designate a magistrate to serve as a special master in any civil case, upon consent of the parties, without regard to the provisions of rule 53(b) of the Federal Rules of Civil Procedure for the United States District Courts.*

"(3) *A magistrate may be assigned such additional duties as are not inconsistent with the Constitution and laws of the United States.*

"(4) *Each district court may establish rules, consistent with this subsection (b) pursuant to which the magistrates shall discharge their duties.".*

RECOMMENDATION

The committee believes that S. 1283, as amended, is meritorious and favorably recommends the same.

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Supreme Court, U. S.
FILED
JAN 9 1976
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1975

No. 75-752

VICTOR DeCOSTA,

Petitioner,

v.

COLUMBIA BROADCASTING SYSTEM, INC., CAPITAL CITIES BROADCASTING CORPORATION and CBS FILMS, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

PETITIONER'S REPLY BRIEF

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January 9, 1976

ABS DUPLICATORS, INC.—1732 Eye Street, N.W.—Washington, D.C.—298-5637

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PETITIONER'S REPLY BRIEF

Several comments are in order in response to the respondents' Brief in Opposition to the Petition.

I

The respondents' effort (Opp. Br. 9-12) to read "intrinsic logical rigor" into the First Circuit's ruling as to the reviewability of a Magistrate's report succeeds only in underscoring the "intrinsic illogic" of that ruling, and hence the need for this Court's review of the matter.

Respondents' version of the ruling below appears to be as follows:

(1) Rule 53(e)(4) should have controlled the District Court's review of the Magistrate's report, so that his findings of fact would be considered "final" and his legal conclusions fully reviewable. Hence the "logical rigor" of this notion would be that the Magistrate's findings of fact as to the "likelihood of confusion" between identical competing service marks, findings which respondents assert are factual in nature (Opp. Br. 18), are final and binding on the District Court.

(2) But somewhere between the District Court and the Court of Appeals, the Magistrate's findings of fact lose their "finality". Rule 52(a) suddenly appears so as to compel the Court of Appeals – not the District Court – to "treat the factual findings of the Magistrate adopted by the District Court as subject to the clearly erroneous standard." Opp. Br. 12. The "logical rigor" of this position is that, in a consensual reference situation that (as here) is likened to a Rule 53(e)(4) reference to a master, the Magistrate's findings of fact are totally unreviewable by the District Court, thus forcing the protesting party to add to the appellate workload in order to secure a *de novo* Rule 52(a) review of the Magistrate's fact findings. The District Court is thus given no function other than to place its automatic imprimatur on the Magistrate's fact findings, which imprimatur is the technical basis for invoking the Rule 52(a) *de novo* appellate review of the Magistrate's fact findings.

Thus to denigrate the role of the District Court with respect to the Magistrate's fact findings and to impose

additional and unnecessary review burdens on the Court of Appeals seems incompatible with sound judicial administration of the Federal Magistrates Act. The confusion instilled into that Act by the decision below certainly deserves attention and correction by this Court.

II

The respondents' effort to confirm the "rectitude" of the First Circuit's ruling by reference to pending amendments to the Federal Magistrates Act (Opp. Br. 12-15) is belied by the history and the language of those amendments, as set forth in the Appendix to the Brief in Opposition.

At the outset, it must be emphasized that the instant reference of cross motions for summary judgment is not the kind of reference of a "pretrial matter" to which §(b)(1)(A) of S. 1283 applies, including its "clearly erroneous" standard of review by the District Court. See Opp. Br. App. 61. Rather this reference falls within the scope of the proposed §(b)(3), which permits a Magistrate to be "assigned such additional duties as are not inconsistent with the Constitution and laws of the United States" – a provision repeated from the present statute and which was found by both courts below to underlie and justify the instant reference.

The Report of the Judicial Conference (Opp. Br. App. 40) states that this proposed §(b)(3) is already "contained in the existing legislation" and "enables the district courts to continue innovative experimentations in the use of this relatively new judicial officer . . . [and] is not restricted in any way by any other specific grant of authority to magistrates."

But the proposed amendments say nothing whatever about the standard of review of magistrates' reports, consensual or otherwise, that are made under this innovative "additional duties" provision. True, proposed §(b)(1)(C) says that the District Court, upon receiving objections from a party, "shall accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate." But that subsection provision seems applicable only to the reference of certain pretrial matters specified in §(b)(1)(A), and not to an "additional duties" reference under §(b)(3).[1] And in any event, §(b)(1)(C) provides no ascertainable standard for reviewing a magistrate's report, whatever kind of reference that subsection encompasses.

And so we are left, with or without the adoption of the proposed amendments, with the critical questions posed by the decision below. Are the magistrate's findings of fact reviewable by the District Court only for "manifest error" or are they reviewable under the "clearly erroneous" doctrine of Rule 52(a)? Are such findings of fact to be considered "final" and unreviewable by the District Court where, as here, the consensual reference is likened to a reference to a special master under Rule 53(e)(4)? Is the Court of Appeals then authorized or compelled to review the magistrate's findings of fact, as automatically accepted by the District Court, under the Rule 52(a) standard?

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[1] As stated by the spokesman for the National Council of United States Magistrates (Opp. Br. App. 22), "The clearly erroneous test of Rule 52a [specified in proposed §(b)(1)(A)] . . . is adopted for non-dispositive motions."

Indeed, the most ardent proponents of the suggested amendments, such as the National Council of United States Magistrates, are uncertain as to the standard of review applicable to references of the instant type, especially as enunciated by the First Circuit. Mr. Morris L. Sear, the chairman of that Council's legislative committee, cited the *DeCosta* opinion below as an indication of the need for "legislative direction and uniformity of the scope of review references to magistrates."[2] See Opp. Br. App. 22. And Mr. Sear again cited this *DeCosta* case as a prelude to his testimony "that many courts have been reluctant to approve references to magistrates because of the absence of some legislative direction and some uniformity." Opp. Br. App. 30. Unfortunately, no such legislative direction seems forthcoming.

Thus, neither the proposed amendments nor their proponents profess to answer the review problems posed by the First Circuit's opinion in this case. The need for this Court's review is thereby substantially augmented.

III

The other arguments in the Brief in Opposition warrant no extended reply. For the most part, they are either answered by the opinion below or are irrelevant and unresponsive to the arguments in the Petition. Respondents'

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[2] Specifically cited was the statement in the First Circuit's opinion in this case (see Pet. App. A.13), that "What does not appear at all clear to us is whether the decision . . . once rendered is by statute subject to very limited review or to review for any prejudicial error as required by F.R. Civ. Pr. 53(e)(4)." Opp. Br. App. 22.

argument (Opp. Br. 16) that the court below held that an individual's avocational use of a slogan or costume falls outside the common law of service marks is contradicted by the First Circuit's express refusal (Pet. App. A.23) to "rely on a holding that the absence of a profit-oriented enterprise disqualifies plaintiff from protection." And not one of the direct conflicts between Circuits, as demonstrated at pages 26-29 of the Petition, is even acknowledged or denied by the Brief in Opposition.

But strangest of all is the phantom argument in the Brief in Opposition (pp. 20-22) that "review is not warranted to consider petitioner's suggestion that the Court should apply the decisions in *Goldstein* and *Kewanee* to the Court of Appeals' 1967 decision." Petitioner has made no such suggestion and has not presented the retroactive effect of those decisions as one of the Questions Presented (see pp. 2-3 of Petition).

Petitioner made reference in the Petition (p. 10) to the fact that *Goldstein* and *Kewanee* have undermined the First Circuit's 1967 decision in this case, as the First Circuit itself has acknowledged. But that reference appears in the Statement of the Case as part of the background of the present ruling. No retroactivity issue is thereby raised.

CONCLUSION

The Brief in Opposition inadvertently serves to emphasize the appropriateness of granting review of the First Circuit's decision, precisely for the reasons expressed in the Petition.

Respectfully submitted,

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